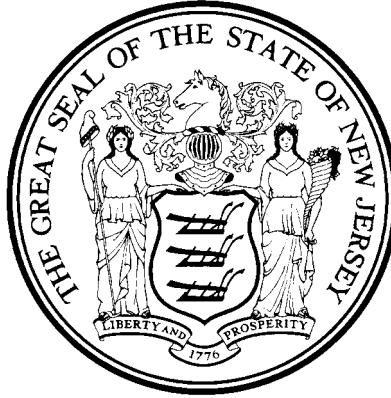


NEW JERSEY



COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2004

RICHARD J. CODEY

Acting Governor

JOHN E. McCORMAC, CPA

State Treasurer

CHARLENE M. HOLZBAUR

State Comptroller

Kathy A. Steepy

Assistant Director

Financial Management

Robert L. Peden

Deputy State Comptroller

James F. Kelly

Manager

Financial Reporting

**STATE OF NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2004
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State of New Jersey
DEPARTMENT OF THE TREASURY
OFFICE OF MANAGEMENT AND BUDGET
PO Box 221
TRENTON NJ 08625-0221

RICHARD J. CODEY
Acting Governor

JOHN E. MCCORMAC, CPA
State Treasurer

December 1, 2004

Acting Governor Richard J. Codey
Members of the State Legislature
New Jersey Citizens

In accordance with the provisions of N.J.S.A. 52:27B-46, we are pleased to transmit to you the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004. The Department of the Treasury's Office of Management and Budget prepared this report and is responsible for data accuracy as well as the completeness and fairness of the presentation, including all disclosures.

This Comprehensive Annual Financial Report, which has earned an unqualified audit opinion from the Office of the State Auditor, presents the financial position and operating results of the State under generally accepted accounting principles (GAAP) applicable to State and Local governments as established by the Governmental Accounting Standards Board (GASB). The State also participates in the Government Finance Officers Association of the United States and Canada's (GFOA) review program for the Certificate of Achievement for Excellence in Financial Reporting.

The State operates in accordance with the standards provided in GASB Statements No. 34 and No. 35. The objectives of this reporting model as reflected in these statements are to provide a clear picture of the government as a single unified entity as well as providing traditional fund based financial statements. All revenues, costs, assets, and liabilities of the State are shown to more clearly portray the State's fiscal health. Management's Discussion and Analysis is included on pages 15 to 28 in order to provide users with an objective and easily readable analysis of New Jersey's financial performance for the fiscal year ended June 30, 2004. We are confident that the data is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of the State's operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial affairs have been included.

The New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004 is organized in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter and the 2003 GFOA Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the independent auditor's report on the basic financial statements, management's discussion and analysis, government-wide financial statements, fund financial statements for governmental funds, proprietary funds, fiduciary funds, and component units, together with notes to the basic financial statements as well as additional required supplementary information (Budgetary Schedules), and the other supplementary information (Combining Fund Statements). The statistical section includes the budgetary basis schedules, as well as selected financial and demographic information.

HIGHLIGHTS AND INITIATIVES

Fiscal Year 2004

- Concerns in the Department of Human Services, Division of Youth and Family Services' (DYFS) system of keeping children safe were exposed when the circumstances surrounding the death of a seven-year-old boy was discovered in Newark. In the aftermath, former Governor McGreevey ordered an immediate accounting of all cases where a child had not been located and an open

allegation of abuse existed. As a result, it was determined that numerous allegations remained open and uninvestigated. Former Governor McGreevey also ordered a fact finding process that made a clear cut case for sweeping changes. It was revealed that DYFS' mission was too broad, its delivery system for children was fragmented, its caseworker supervision was inadequate, its workforce was too inexperienced, and that there was a lack of accountability across the whole system. During Fiscal Year 2004, over \$30.0 million was provided for the purpose of reforming and improving the DYFS' information systems and services. Implementation of the Statewide Automated Child Welfare Information System to comprehensively track and monitor cases, the hiring of additional direct care staff, support staff, and Human Services Police officers also occurred. The anticipated result is increased accountability, a revision in management expectations, enhanced recruitment, an expansion and mandate in training, strengthened supervision, and a reduction in caseloads.

- The State took steps to streamline the procedures for the State school construction program, which provides \$8.6 billion to build and renovate schools. In Fiscal Year 2004, \$108.5 million was spent for State debt service and increased aid for recently issued local debt for school construction.
- In Fiscal Year 2004 over \$100.0 million in funding for various homeland security and counter-terrorism initiatives occurred. These funds provided enhanced security for the State's nuclear power plants as well as prompt emergency medical response and additional support for the Office of Counter-Terrorism and State Police efforts to guard New Jersey residents against potential terrorist activities.

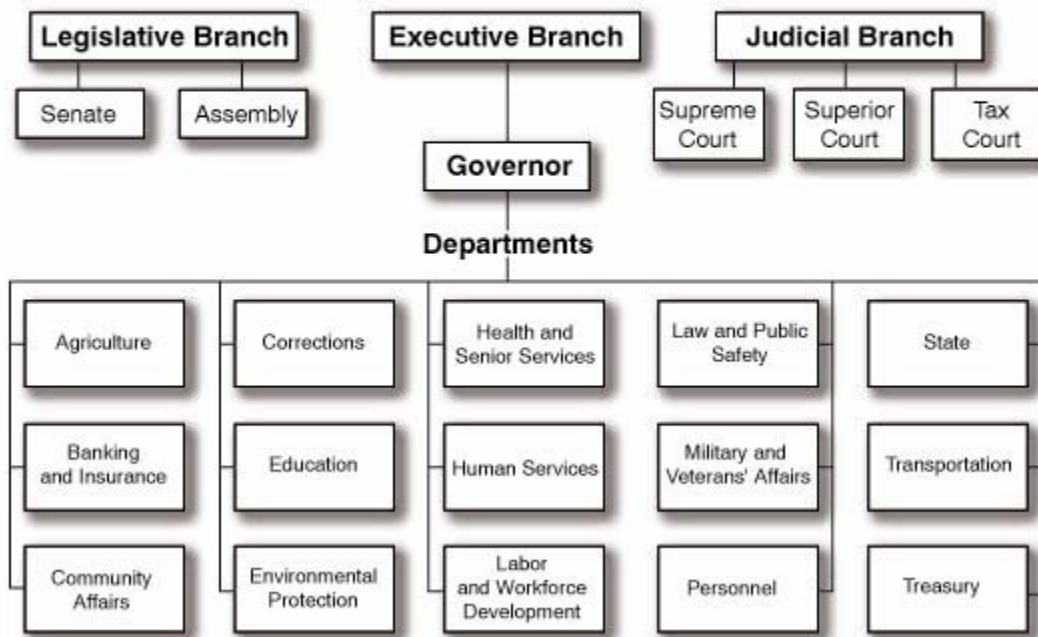
Fiscal Year 2005

- The cornerstone to the Fiscal Year 2005 Appropriations Act is the FAIR (Fair and Immediate Relief) Plan, which provides property tax relief to New Jersey's senior citizens and middle class taxpayers. The three pronged plan calls for immediate relief, spending reforms, and long-term structural changes to New Jersey's property tax system. Immediate relief comes in the form of increased rebate checks. Under the Homestead Rebate Program, the average check for senior citizens will increase to \$1,200, from \$775. Approximately 460,000 senior citizens will receive the \$1,200 maximum. Under the NJSAVER Program, qualified families will receive a rebate of \$800, up from \$250 the prior year. Approximately 1.2 million families are impacted, with another 190,000 families doubling their average rebates to \$500. In order to provide 2.0 million senior citizens and middle class New Jerseyans with property tax relief, an additional 2.6 percent tax on income over \$500,000 was enacted. Spending reforms under the FAIR Plan includes a limit on annual spending increases of municipal governments and school districts operations to 2.5 percent or less. Long-term reforms include the creation of a Citizens Task Force to recommend to the State Legislature the structure and scope of a Constitutional Convention on property tax reform. The Citizens Task Force would return their recommendations in time for the November 2005 ballot.
- Aid to Education continues to be a major component of State spending. The Fiscal Year 2005 Appropriations Act provides \$8.9 billion in school aid, an increase of \$753.3 million over Fiscal Year 2004. Three percent increases in formula aid were provided to non-Abbott school districts. Abbott school districts were provided increases for mandated programs and services as well as increases for the expansion of preschool programs. Fiscal Year 2005 also provides funding for new aid categories, which include \$15.0 million for a new preschool program in non-Abbott school districts; \$12.0 million in additional formula aid for school districts that have experienced unusually high enrollment growth; \$17.0 million to develop and implement strategies for enhanced teaching and learning in low income, non-Abbott school districts; and \$2.5 million in reward and incentive aid for high performing model districts meeting certain administrative efficiency standards. The Fiscal Year 2005 Appropriations Act also includes \$306.0 million for school facilities aid programs.

NEW JERSEY GOVERNMENT

The Executive Branch is headed by the Office of the Chief Executive which includes the Governor and staff that assist in the execution of the Governor's constitutional powers and duties. The Governor is the State's chief operating officer, and assists in directing and coordinating the activities of the various State departments. These duties include the implementation of new laws and activities, as well as ongoing responsibilities associated with existing laws, and other essential aspects of governing. The Office of the Chief Executive is active in the review and formulation of proposals of law that are ultimately submitted to the State Legislature. Staff assists in the development of public policy affecting the citizens of the State, and in the implementation of the State's fiscal plan once it is adopted.

ORGANIZATION OF NEW JERSEY STATE GOVERNMENT



The Executive Branch consists of 15 departments comprising approximately 66,000 employees. The maximum number of departments permitted by the State Constitution is 20. Each department is headed by a single executive; four also have boards with policy-making and oversight responsibilities. Department heads and board members are appointed by the Governor with the advice and consent of the Senate, except for the Secretary of Agriculture, who is chosen by the Board of Agriculture with the approval of the Governor. Department heads continue in office until successors are named and confirmed by the Senate, with the exception of the Attorney General and the Secretary of State, who are appointed to serve during the Governor's term. The Executive Branch oversees the performance of 566 municipalities and 611 school districts, and the incarceration and rehabilitation of approximately 27,000 prisoners. The Executive Branch also provides social services for one out of eight New Jersey citizens, reliable transportation, and protection for the State's citizenry and environment.

New Jersey's Legislative Branch consists of the State Senate and the General Assembly. There are 40 legislative districts with elections being held in odd-numbered years. There are 40 members of the State Senate. State Senators are elected to terms of four years, except for the election following a decennial census, in which case the term is for two years. There are 80 members of the General Assembly. Assemblymen are elected to two-year terms. The Office of Legislative Services is a nonpartisan agency

that provides legislators with legal, fiscal, research, information, and administrative services. It is organized with an executive director, a legislative counsel, the state auditor, a director of central staff, a director of data management, and a director of administration.

The Judicial Branch consists of the Supreme Court, the Appellate Division of the Superior Court, and the Tax Court. Judges are nominated by the Governor and must be confirmed by the Senate. Terms are for seven years. For purposes of judicial administration, the State is divided into 15 vicinages, each consisting of a single county or a combination of counties. The Administrative Office of the Courts provides support services. Approximately 7.0 million new cases are filed in New Jersey's courts every year, including 6.0 million in Municipal Court and 1.0 million in Superior Court. These cases address matters concerning civil, criminal, and family law.

COMPONENT UNITS

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004 includes the accounts of 22 public authorities, and 12 State colleges and universities in accordance with the requirements of GASB Statement No. 14, *The Financial Reporting Entity*. Public authorities are legally separate entities that are not operating departments of the State. Governing boards are vested with the power to independently manage these component units. Each component unit is established for a specific purpose for the benefit of the State's citizenry. GASB Statement No. 14 provides that the State's financial statements should emphasize the primary government and permit financial statement users to distinguish between the primary government and its component units. As a result, the transmittal letter, management's discussion and analysis, and the financial statements focus on the primary government of the State and its activities, although information pertaining to the component units is presented. For additional information, please see Note 18 – Component Units on page 87.

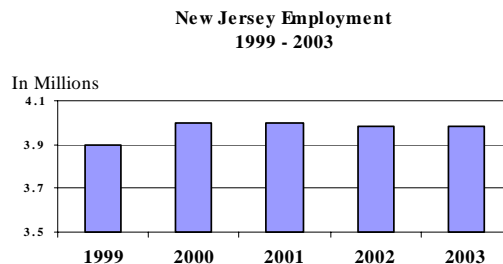
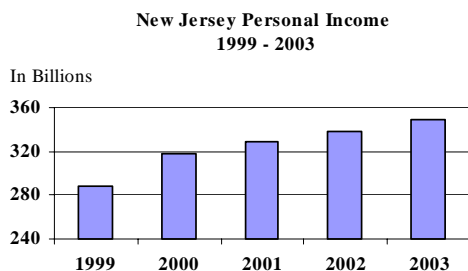
NEW JERSEY'S ECONOMIC CONDITION

Through calendar year 2004, New Jersey's economy continued to expand and its recovery is showing signs of momentum. The State outperformed the nation in terms of job creation at a faster pace over last year. New Jersey added 101,700 jobs between the bottom of the employment cycle in March 2003 and September 2004. Payroll employment increased over 1.4 percent during the first nine months through September 2004 after declining slightly by 0.1 percent last year. Jobs in September 2004 grew at a 1.7 percent average annual rate over a year ago, continuing the positive year over year growth trend for the fifteenth consecutive month since July 2003, surpassing the pre-recession level.

Payroll employment increased by over 1.6 percent in the third quarter of 2004, a solid increase compared to the 0.4 percent growth in the same quarter a year ago, and maintained the momentum in job growth that started to pick up since the first quarter of 2004. Overall, the State added 60,300 jobs between January and September 2004. Employment gains were primarily spread across the service providing sectors with particularly strong growth in professional and business services (12,700 jobs), education and health services (9,500 jobs), and trade, transportation, and utilities (8,100 jobs). The total government (14,600 jobs) and construction (3,700 jobs) sectors also showed strong gains.

The generally improving labor market conditions have kept the State's jobless rate below 5.0 percent for the third straight month since July 2004. New Jersey's unemployment rate dropped to 4.8 percent in September 2004, well below the corresponding rate of 5.4 percent for the nation.

The preliminary 2004 second quarter growth rate for New Jersey's personal income of 4.7 percent improved over the revised first quarter 2004 growth rate of 4.1 percent. October 2004 economic forecasts project slight moderation in the third quarter followed by an improving personal income growth scenario in the fourth quarter and into 2005. Despite the slight increase in the inflation rate (around 3.0 percent) the growth momentum in the labor market conditions will benefit consumers and businesses. In addition, low interest rates continue to support spending on housing and other consumer durables in the State.



The housing sector continues to be robust during 2004 with new housing starts estimated to stay around 33,000 units or more for the year, slightly above the 2003 level. New vehicle registrations for the nine months through September 2004 were 3.5 percent above the level in 2003.

New Jersey and the nation are expected to have a solid year with economic momentum heading into calendar year 2005. In the December Beige Book, the United States Federal Reserve was upbeat reporting broad economic expansion across the nation. The fundamentals of the State's economic health remain stable and the long run prospects for economic growth of the State in calendar year 2005 and beyond are favorable.

The Statistical Section contains various demographic and economic tables for New Jersey.

BUDGET AND ACCOUNTING

Budget Process

The State Constitution, as well as certain statutes, governs the State's budget and appropriation process. Each department, board, commission, office or other agency of the State begins the budget process by filing with the Director of the Office of Management and Budget (the "Director") a request for appropriation or permission to spend, specifying all expenditures proposed to be made by such spending agency during the following fiscal year. The Director then examines each request and determines the necessity or advisability of the appropriation request. After review and examination, the Director submits the requests, together with findings, comments, and recommendations, to the Governor. It is the responsibility of the Governor to examine and consider all requests and formulate budget recommendations. The Governor's Budget Message is then transmitted on the fourth Tuesday in February, unless otherwise provided through legislation.

During the course of the fiscal year, the Governor may take steps to reduce State expenditures if it appears that revenues have fallen below those originally anticipated. The Governor, with approval from the State Legislature, may enact supplemental appropriations after the adoption of the annual Appropriations Act, should there be sufficient revenues on hand or anticipated, as certified by the Governor, to meet such appropriation.

Over the past two decades, New Jersey's budget process has evolved into a strategic planning initiative in which the budget is directly related to the program objectives of governmental activities. Costs and benefits of each agency's programs are weighed and justified at various alternative funding levels.

Legal Level of Control

The State's Annual Appropriations Act includes the General Fund and certain Special Revenue Funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief Funds). Legal control is maintained within the departments at the appropriation line item level. Budgetary control is exercised at the department level by individual appropriations and allocations within appropriations to various programs and major expenditure objects. Program classifications represent a lower level, operating program function, consisting of closely related activities with identifiable objectives or goals. During the budget

year, revisions to the Annual Appropriations Act reflecting program changes or interdepartmental transfers of an administrative nature may be effected with certain Executive and Legislative Branch approvals. Under the “General Provisions” section of the State’s Annual Appropriations Act, management may amend the budget within a department with the approval of the Director of the Office of Management and Budget. Under specific conditions, additional approval by the Office of Legislative Services is required. Only the State Legislature, however, may transfer appropriations between departments.

Accounting Systems

For the various State departments, accounting records are maintained by a central accounting system. The system operations are directed and supervised by the Office of Management and Budget. The State’s annual budget is comprised of individual appropriations to departments for specific programs and purposes. Component units maintain separate accounting systems.

Encumbrance accounting is employed to ensure that expenditures do not exceed appropriations and allocations. Purchase orders, contracts, and other commitments involving monetary expenditures are encumbrances. Any unencumbered and unexpended non-continuing appropriations lapse at the end of the fiscal year.

Consideration as to the adequacy of internal controls is paramount in developing and maintaining the State’s accounting system. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and that financial records are reliable for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from its use, and that the evaluation of costs and benefits require managerial estimates and judgments. All internal control evaluations occur within this framework.

RELEVANT FINANCIAL POLICIES

The State Constitution mandates a balanced budget. It provides, in part, that no money shall be drawn from the State Treasury but for appropriations made by law and that no law appropriating money for any State purpose shall be enacted if the appropriations contained therein, together with all prior appropriations made for the same fiscal period, shall exceed the total amount of the revenue on hand and anticipated to be available to meet such appropriations during such fiscal period, as certified by the Governor. During the course of the fiscal year, the State may have to make several revenue and expenditure adjustments to ensure a positive fund balance. The State has had a balanced budget in every fiscal year since the adoption of the State Constitution in 1947.

As part of the General Fund’s resources and fund balance, the Surplus Revenue Fund was created as a rainy day fund. The Surplus Revenue Fund is used to account for excess revenues from prior fiscal years that are legislatively reserved and may be used to support current year’s appropriations in the event that anticipated revenues in the General Fund are estimated to be less than those certified by the Governor upon approval of the annual Appropriations Act. The Surplus Revenue Fund was designed to build fund balance during economic upswings, and expended during economic downturns and emergency situations. An example of revenue collections outpacing projections occurred during Fiscal Year 2004, when \$282.4 million was deposited into the Surplus Revenue Fund. An example of an emergency situation that resulted in tapping the Surplus Revenue Fund occurred in Fiscal Year 2000 when the State needed \$26.9 million in emergency disaster relief funds to aid flood victims of Hurricane Floyd.

The State’s budgetary basis of accounting differs from that utilized to present fund financial statements in conformance with GAAP. The main differences between the budgetary basis and the GAAP basis used to present fund financial statements, are that under the budgetary basis encumbrances are recognized as expenditures, the federal revenue related to such encumbrances is also recognized, and the budgetary basis reflects transactions only for the current fiscal year. In addition, under the GAAP basis in the fund financial statements, certain grants and other financial assistance are required to be recorded as revenues and expenditures.

FINANCIAL TRENDS

Education

State aid for elementary and secondary education continues to be one of the largest components of the State budget at almost one third of the Fiscal Year 2005 State appropriations. State funding for Education has historically been a struggle, especially in times of limited resources. The cost of compliance with State Supreme Court mandates for funding the poorest school districts, known as Abbott districts, forces the direction of a large portion of those resources, reducing the amount available for distribution to non-Abbott school districts. Having one of the highest per pupil spending amounts in the country and high reliance on property taxes for the local support adds to the pressure to increase the level of State support. Federal legislation such as the No Child Left Behind Act and the Individuals with Disabilities Education Act have placed additional requirements on districts that result in spending increases beyond the federal funding provided for the programs. The State periodically reviews its funding formulas to balance the competing needs as best possible.

Transportation

Stable funding for public transportation occurred in 1984 with the passage of the New Jersey Transportation Trust Fund Authority. Prior to the enactment, funding was provided through various intermittent general obligation bond acts that were subject to voter approval. Funded from sources such as the Motor Fuels Tax, the Petroleum Products Gross Receipts Tax, a portion of the Sales and Use Tax, and bond proceeds, the New Jersey Transportation Trust Fund Authority has provided the New Jersey Department of Transportation and New Jersey Transit Corporation with a combined capital program that has grown from \$249.0 million in Fiscal Year 1985 to \$1,292.6 million in Fiscal Year 2005. Stable State and federal funding has allowed the New Jersey Transit Corporation to invest in such notable projects as the Secaucus Transfer, Newark Airport Station, Montclair Connection, MidTown Direct, and the Newark Elizabeth Rail Link. These projects are in addition to the purchase of rolling stock needed to upgrade the bus and rail fleet of vehicles. For Fiscal Year 2005, the New Jersey Transportation Trust Fund Authority has funded the New Jersey Department of Transportation's "Fix-it-First" approach that addresses bridges, pavement, and projects which support urban and suburban redevelopment, and protection of environmental values. The New Jersey Department of Transportation's program focuses on innovative strategies to promote safety, while providing a balanced, economical, effective attack on highway congestion.

Open Space Preservation

One of State Government's responsibilities is the conservation of the State's natural resources. Open space preservation began in 1961 under the Department of Environmental Protection's Green Acres program. Farmland preservation, through the Department of Agriculture's State Agriculture Development Committee, began in 1983. The Garden State Preservation Trust was created in Calendar Year 1999 to provide funding for the Department of Environmental Protection, the State Agriculture Development Committee, and the New Jersey Historic Trust for the preservation of open space, farmland, and historic properties. Through the annual \$98.0 million constitutional dedication from the State's Sales and Use Tax, the Garden State Preservation Trust has preserved approximately 40,000 acres per year since its inception. This amount represents a 111.1 percent increase from earlier funding efforts that concentrated on voter approved general obligation bond acts. A total of 551,358 acres have been preserved for open space, while a total of 129,310 acres have been preserved for farmland purposes.

AUDIT INFORMATION

The principal auditor of the State's reporting entity is the Office of the State Auditor, which resides in the legislative branch of State government. The State Auditor's examination was conducted in accordance with generally accepted auditing standards and its opinion precedes the Basic Financial Statements. Outside public accounting firms have been used for the audits for separately issued component units and college and university financial statements. In addition, the Office of the State Auditor conducts periodic financial and expanded scope audits of the various State agencies. This audit received an unqualified opinion on the Basic Financial Statements contained in this Comprehensive Annual Financial Report.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to the State of New Jersey for its Comprehensive Annual Financial Report for the year ended June 30, 2003.

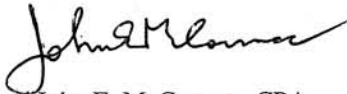
In order to qualify for the Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The State of New Jersey has received this award every year since 1993. It is our belief that this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004 continues this tradition and conforms to the GFOA's Certificate of Achievement Program requirements.

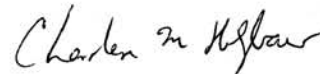
ACKNOWLEDGEMENTS

Finally, we would like to express our appreciation to the many dedicated professionals in the Office of Management and Budget and the Office of the State Auditor whose efforts made possible the preparation of this report. We believe that their combined efforts have produced a report that will provide a means for government, the financial community, decision makers, and concerned citizens to better understand and evaluate the State's financial condition.

Sincerely,



John E. McCormac, CPA
State Treasurer



Charlene M. Holzbaur
State Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of New Jersey

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Ziehl

President

Jeffrey R. Enen

Executive Director

ASSEMBLYMAN
ALBIO SIREs
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Vice-Chairman

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LEONARD LANCE
ROBERT E. LITTELL
ROBERT W. SINGER

GENERAL ASSEMBLY

CHRISTOPHER "KIP" BATEMAN
FRANCIS J. BLEE
JOHN J. BURZICHELLI
ALEX DECROCE
GUY R. GREGG
JOSEPH J. ROBERTS, JR.
LORETTA WEINBERG



New Jersey State Legislature

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State Auditor

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The Honorable Richard J. Codey
Acting Governor of New Jersey

The Honorable Richard J. Codey
President of the Senate

The Honorable Albio Sires
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of and for the year ended June 30, 2004, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of New Jersey's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, is based on the reports of the other auditors.

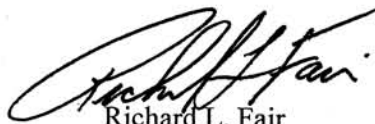
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2004 on our consideration of the State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, the budgetary comparison schedules, and the funding progress schedule for all pension trust funds are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of New Jersey's basic financial statements. The introductory section, Combining Fund Statements - Non-Major Funds section, other information section and the statistical section, listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The Combining Fund Statements - Non-Major Funds section and the other information section have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements. The introductory section and the statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Richard L. Fair
State Auditor
December 1, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following narrative provides an overview and analysis concerning New Jersey State Government's financial performance of its activities for the fiscal year ended June 30, 2004. Readers should consider this information in conjunction with the transmittal letter, which precedes Management's Discussion and Analysis, and the State's financial statements, which follow.

The State is in its third year of accounting and reporting under the standards outlined in the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Therefore, a majority of the information provided is not easily comparable to reporting periods prior to the fiscal year ended June 30, 2002. Year-to-year comparisons are provided in this year's Management's Discussion and Analysis. It is the intent of GASB Statement No. 34 to provide meaningful comparisons that will further explain the State's financial position and results of its operations.

FINANCIAL HIGHLIGHTS

Government-wide

- The primary government's assets total \$27.5 billion, a decrease of \$2.5 billion from the prior fiscal year. This decrease was the result of lower unemployment contributions and the liquidation of a \$1.5 billion receivable from the Fiscal Year 2003 sale of tobacco rights under the master settlement agreement. As of June 30, 2004, liabilities exceeded assets by \$2.3 billion. The State's unrestricted net assets, which represent net assets that have no statutory commitments and are available for discretionary use, totaled a negative \$13.0 billion. The negative balance is primarily a result of financing unfunded actuarial liabilities in the State's pension fund systems and uninsured motorist funds, financing local elementary and high school construction, and securitizing tobacco master settlement agreement receipts.
- June 30, 2004 component unit assets exceeded component unit liabilities by \$12.7 billion. Total component unit assets grew to \$34.4 billion, a \$3.9 billion increase in net assets from the prior fiscal year. The reclassification of Tobacco Settlement Financing Corporation, Inc. to the primary government of New Jersey represents \$2.9 billion of this increase.

Fund Level

- The State's governmental funds reported June 30, 2004 combined ending fund balances of \$7.1 billion, a decrease of \$1.3 billion from the prior fiscal year. Of this amount, \$601.4 million represents unreserved undesignated fund balances with the remainder reserved for specific, legislated purposes, management reserves, and constitutional dedications. The General Fund's total ending fund balance is \$2.9 billion, with \$376.5 million unrestricted.
- Proprietary Funds reported June 30, 2004 net assets of \$1.7 billion. During the fiscal year, this amount decreased by \$522.2 million.

Long-term Debt

- The State's long-term debt obligations increased 12.1 percent, to \$25.0 billion, which includes a net increase in bonded debt of \$2.3 billion.
- During the fiscal year, the State issued \$3.4 billion in bonds. New money issuances represented \$2.9 billion for transportation and education system improvements, while \$466.6 million represented four refunding transactions that provided the State with \$23.6 million in net present value savings. During the fiscal year ended June 30, 2004, the State paid \$1.8 billion in debt service on its long-term debt components. Non-bonded portions of the State's long-term debt total \$3.0 billion. This amount represents a \$346.7 million increase from the prior fiscal year and is mainly attributable to an increase in net pension obligations and capital leases.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. Both statements present different views of the State's financial information. The Comprehensive Annual Financial Report includes Notes to the Financial Statements; Required Supplementary Information (Budgetary Schedules) as well as Other Information.

| Major Features of the Basic Financial Statements | | | | |
|---|--|---|--|--|
| Features | Government-wide Financial Statements | Fund Financial Statements | | |
| | | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire State government (except fiduciary funds) and the State's component units | State activities that are not proprietary or fiduciary | State activities that are operated similar to a private business | Instances in which the State is the trustee or agent for someone else's resources |
| Required Financial Statements | * Statement of Net Assets * Statement of Activities | * Balance Sheet * Statement of Revenues, Expenditures, and Changes in Fund Balance | * Statement of Net Assets * Statement of Revenues, Expenses, and Changes in Net Assets * Statement of Cash Flows | * Statement of Fiduciary Net Assets * Statement of Changes in Fiduciary Net Assets |
| Accounting Basis and Measurement Focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Types of Asset/Liability Information | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be available and liabilities that are due during the year or soon thereafter; no capital assets included | All assets and liabilities, both financial and capital, and short-term and long term | All assets and liabilities, both short-term and long-term |
| Types of Inflow/Outflow Information | All revenues and expenses during the year, regardless of when cash is received or paid | * Revenues for which cash is received during or soon after the end of the fiscal year * Expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid | All revenues and expenses during the year, regardless of when cash is received or paid |

Government-wide Financial Statements

Government-wide financial statements provide a broad view of the State's operations conforming to private sector accounting standards and provide both short-term and long-term information regarding the State's overall financial position through the fiscal year end. The government-wide financial statements include the following two statements:

- **Statement of Net Assets** Shown on page 31, the Statement of Net Assets presents all of the State's assets and liabilities and calculates net assets. Increases or decreases in the State's net assets over time may serve as a useful indicator as to whether or not the State's overall financial position is improving or deteriorating.

- **Statement of Activities** Shown on pages 32 and 33, the Statement of Activities presents how the State's net assets changed during Fiscal Year 2004. All changes in net assets are reported when the underlying event occurs, giving rise to the change, regardless of the timing of related cash flows. This statement also presents a comparison between direct expenses and program revenues for each State function.

Both the Statement of Net Assets and the Statement of Activities have separate sections that report three activities:

- **Governmental Activities** The majority of State service functions fall into this category, which includes Executive, Legislative, and Judicial Branch operations. Governmental activity functions rely heavily on State taxes and federal grant receipts for funding their respective programs and functions.
- **Business-type Activities** Certain State operations that are legislatively able to charge fees to external users to recover all or a portion of the cost of the services that are provided are classified as business-type activities. The State Lottery Fund and the Unemployment Compensation Fund are two such examples.
- **Component Units** Legally separate operations and organizations for which the State has financial accountability are considered component units. The State has 22 authorities, of which the New Jersey Building Authority, the Garden State Preservation Trust, the New Jersey Transportation Trust Fund Authority, and the Tobacco Settlement Financing Corporation, Inc. are blended into governmental activities, and 12 colleges and universities that are reported as component units. These component units operate as business-type activities and are presented in two categories, major and non-major which is determined, generally, by the relative size of the entity's assets, liabilities, revenues, and expenses when compared to the total of the related component units. A list of the State's component units is shown in Notes 1B – Significant Accounting Policies – Financial Reporting Entity and Note 18 – Component Units in the Notes to the Financial Statements. Audit reports of the individual component units can be obtained from their respective administrative offices.

Reconciliation of Government-wide and Fund Financial Statements

The Comprehensive Annual Financial Report includes two schedules (shown on pages 35 and 37) that reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the financial reporting impacts of transitioning from a modified accrual basis of accounting to a full accrual basis of accounting:

- Capital assets used in governmental activities are not reported on governmental fund financial statements.
- Capital outlay spending results in capital assets on the government-wide statements, but are reported as expenditures on the governmental fund statements.
- Bond and note proceeds result in liabilities on the government-wide financial statements, but are recorded as other financing sources on the governmental fund financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental fund financial statements.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements and fund financial statements. The notes can be found on pages 52 to 95 of this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004.

Fund Financial Statements

Fund financial statements begin on page 106. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The State's fund financial statements reflect financial reporting practices in accordance with this definition. The State's funds, which excludes components units, are divided into three categories – governmental, proprietary, and fiduciary.

- **Governmental Funds Financial Statements** Most direct state services are financed through governmental funds, which are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental funds financial statements focus on current inflows and outflows of expendable resources and the unexpended balances at the end of a fiscal year that are available for future spending. Governmental fund information helps determine whether or not there was an addition or a reduction in financial resources that can be spent in the near future to finance State programs.

The State's governmental funds are the General Fund, Debt Service Fund, Special Revenue Funds, and Capital Projects Funds. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The basic governmental funds financial statements can be found immediately following the government-wide financial statements.

- **Proprietary Funds Financial Statements** Proprietary funds are used to account for State business-type activities. Since these funds charge fees to external users, they are known as enterprise funds. Proprietary funds provide the same information as government-wide financial statements and use the accrual basis of accounting.
- **Fiduciary Funds Financial Statements** Fiduciary funds, which include State pension fund systems, are used to account for resources held by the State for the benefit of parties outside of State government. Fiduciary funds are reported using the accrual basis of accounting, in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets as shown on pages 42 to 44. Government-wide financial statements exclude fiduciary fund activity and balances since the assets are legislatively restricted in purpose and do not represent discretionary assets the State can use to fund its operations.

Notes to the Financial Statements

Beginning on page 52, the Notes to the Financial Statements provide additional background information that assist the reader in understanding the data provided in the government-wide financial statements and fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes budgetary schedules that reconcile the statutory intent of the program with fund balances in accordance with generally accepted accounting principles at fiscal year end as well as variances between the final budget and actual results on a budgetary basis. Also there is a Schedule of Funding Progress for all Pension Trust Funds.

Other Information

Combining financial statements for non-major governmental funds, proprietary funds, fiduciary funds, and non-major component units are shown in this section. They are not reported individually, as with major funds, on the Governmental Fund Financial Statements. The Schedule of Appropriations and Expenditures, shown in this section details the comparison of expenditures at the legal level of control to the final budget. The Schedule of Anticipated Revenue and the Schedule of Appropriated Revenue provide detailed information on major and miscellaneous taxes, fees and other revenues. The Schedule of

Anticipated Revenue provides further analysis by showing dollar and percentage variances of actual collections as compared to the original anticipation.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

The State's fiscal year ended combined net assets totaled a negative \$2.3 billion. Fiscal Year 2004 activities showed a \$3.5 billion decrease in combined net assets, with net assets of governmental activities decreasing by \$3.0 billion, and business-type activities decreasing by \$522.2 million.

Net Assets For Fiscal Year Ended June 30 (Expressed In Millions)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|------------------------------------|---------------------|-------------------------------------|-------------------|-------------------------------------|-------------------|
| | 2004 | 2003* | 2004 | 2003 | 2004 | 2003* |
| Current and other noncurrent assets | \$ 10,495.0 | \$ 13,311.2 | \$ 3,170.7 | \$ 3,761.5 | \$ 13,665.7 | \$ 17,072.7 |
| Capital assets, net | 13,857.4 | 12,960.8 | -- | -- | 13,857.4 | 12,960.8 |
| Total Assets | 24,352.4 | 26,272.0 | 3,170.7 | 3,761.5 | 27,523.1 | 30,033.5 |
| Current liabilities | 3,434.0 | 5,071.9 | 499.9 | 501.8 | 3,933.9 | 5,573.7 |
| Noncurrent liabilities | 24,958.1 | 22,266.1 | 973.1 | 1,039.9 | 25,931.2 | 23,306.0 |
| Total Liabilities | 28,392.1 | 27,338.0 | 1,473.0 | 1,541.7 | 29,865.1 | 28,879.7 |
| Net Assets: | | | | | | |
| Invested in capital assets, net of related debt | 5,221.8 | 4,907.4 | -- | -- | 5,221.8 | 4,907.4 |
| Restricted | 3,715.3 | 4,175.0 | 1,697.7 | 2,219.8 | 5,413.0 | 6,394.8 |
| Unrestricted | (12,976.8) | (10,148.4) | -- | -- | (12,976.8) | (10,148.4) |
| Total Net Assets | \$ (4,039.7) | \$ (1,066.0) | \$ 1,697.7 | \$ 2,219.8 | \$ (2,342.0) | \$ 1,153.8 |

*Fiscal Year 2003 Governmental Activities and Total Primary Government have been restated.

Restricted net assets are the largest component of the State's net assets. Capital assets, net of depreciation are used by the State to provide services to citizens; consequently these assets are not available for future spending. Land, land improvements, buildings and improvements, machinery and equipment, infrastructure (roads, bridges and other immovable assets), and construction in progress are shown less any related outstanding debt used to acquire these assets.

Changes in Net Assets

The State's Fiscal Year 2004 net assets decreased by \$3.5 billion. During Fiscal Year 2004, the State made \$1.6 billion in expenditures that were supported by the balance of the Fiscal Year 2003 sale of tobacco rights. Another \$1.6 billion was disbursed to the New Jersey Schools Construction Corporation to help finance school facilities construction throughout the state. Approximately 52.1 percent of the State's total revenue came from general taxes, while 23.5 percent was derived from operating grants. Charges for services amounted to 21.5 percent of total revenues, while other items such as governmental subsidies and grants, capital grants, interest and investment earnings, and miscellaneous revenues accounted for the remainder. State expenditures cover a range of services. The largest expense, 28.7 percent was for educational, cultural, and intellectual development. Physical and mental health amounted to 20.1 percent of total expenditures, while government direction, management, and control amounted to 12.7 percent. Other major expenditures focused on economic planning, development, and security, public safety and criminal justice, and community development and environmental management. During Fiscal Year 2004, governmental activity expenses exceeded program revenues, resulting in the use of \$22.7 billion of general

revenues (mostly taxes). Revenues from business-type activities in Fiscal Year 2004 exceeded expenses by \$203.8 million.

The deficit in unrestricted governmental net assets arose primarily as a result of the cost of the State's school facilities construction program, depreciation expense related to capital assets, and certain liabilities that are required to be included in the government-wide financial statements.

**Statement of Activities
For Fiscal Year Ended June 30
(Expressed In Millions)**

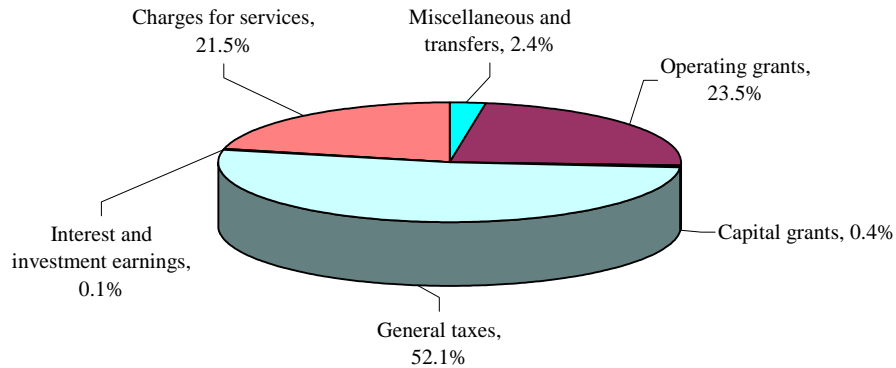
| | Governmental Activities | | Business-type Activities | | Primary Government Total | |
|--|------------------------------------|---------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| | 2004 | 2003* | 2004 | 2003 | 2004 | 2003* |
| <u>Revenues</u> | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 3,341.0 | \$ 3,900.7 | \$ 5,317.4 | \$ 4,706.4 | \$ 8,658.4 | \$ 8,607.1 |
| Operating grants | 8,985.0 | 9,151.1 | 481.8 | 897.8 | 9,466.8 | 10,048.9 |
| Capital grants | 140.9 | 30.6 | -- | -- | 140.9 | 30.6 |
| General revenues | | | | | | |
| General taxes | 20,940.6 | 19,347.3 | -- | -- | 20,940.6 | 19,347.3 |
| Interest and investment earnings | 59.8 | 61.1 | -- | -- | 59.8 | 61.1 |
| Miscellaneous | 1,890.8 | 1,647.5 | -- | -- | 1,890.8 | 1,647.5 |
| Total Revenues | 35,358.1 | 34,138.3 | 5,799.2 | 5,604.2 | 41,157.3 | 39,742.5 |
| <u>Expenses</u> | | | | | | |
| Public safety and criminal justice | 2,667.9 | 2,504.5 | -- | -- | 2,667.9 | 2,504.5 |
| Physical and mental health | 8,806.4 | 9,305.6 | -- | -- | 8,806.4 | 9,305.6 |
| Educational, cultural, and intellectual development | 12,548.5 | 10,686.3 | -- | -- | 12,548.5 | 10,686.3 |
| Community development and environmental management | 2,040.8 | 1,959.0 | -- | -- | 2,040.8 | 1,959.0 |
| Economic planning, development, and security | 3,714.8 | 4,050.2 | -- | -- | 3,714.8 | 4,050.2 |
| Transportation programs | 1,902.6 | 1,561.1 | -- | -- | 1,902.6 | 1,561.1 |
| Government direction, management, and control | 5,547.6 | 5,759.7 | -- | -- | 5,547.6 | 5,759.7 |
| Special government services | 267.2 | 236.3 | -- | -- | 267.2 | 236.3 |
| Interest expense | 624.3 | 460.0 | -- | -- | 624.3 | 460.0 |
| State Lottery Fund | -- | -- | 1,413.2 | 1,339.0 | 1,413.2 | 1,339.0 |
| Unemployment Compensation Fund | -- | -- | 2,481.5 | 2,876.3 | 2,481.5 | 2,876.3 |
| Other | -- | -- | 1,700.7 | 1,367.1 | 1,700.7 | 1,367.1 |
| Total Expenses | 38,120.1 | 36,522.7 | 5,595.4 | 5,582.4 | 43,715.5 | 42,105.1 |
| Excess (Deficiency) Before Contributions and Transfers | (2,762.0) | (2,384.4) | 203.8 | 21.8 | (2,558.2) | (2,362.6) |
| Transfers | (211.7) | 716.9 | (726.0) | (716.9) | (937.7) | -- |
| Gain on Sale of Tobacco Rights | -- | 5.5 | -- | -- | -- | 5.5 |
| Increase (Decrease) In Net Assets | (2,973.7) | (1,662.0) | (522.2) | (695.1) | (3,495.9) | (2,357.1) |
| Net Assets - July 1, 2003 | (1,066.0) | 596.0 | 2,219.9 | 2,914.9 | 1,153.9 | 3,510.9 |
| Net Assets - June 30, 2004 | <u>\$(4,039.7)</u> | <u>\$(1,066.0)</u> | <u>\$ 1,697.7</u> | <u>\$ 2,219.8</u> | <u>\$(2,342.0)</u> | <u>\$ 1,153.8</u> |

* Fiscal Year 2003 Governmental Activities and Total Primary Government have been restated.

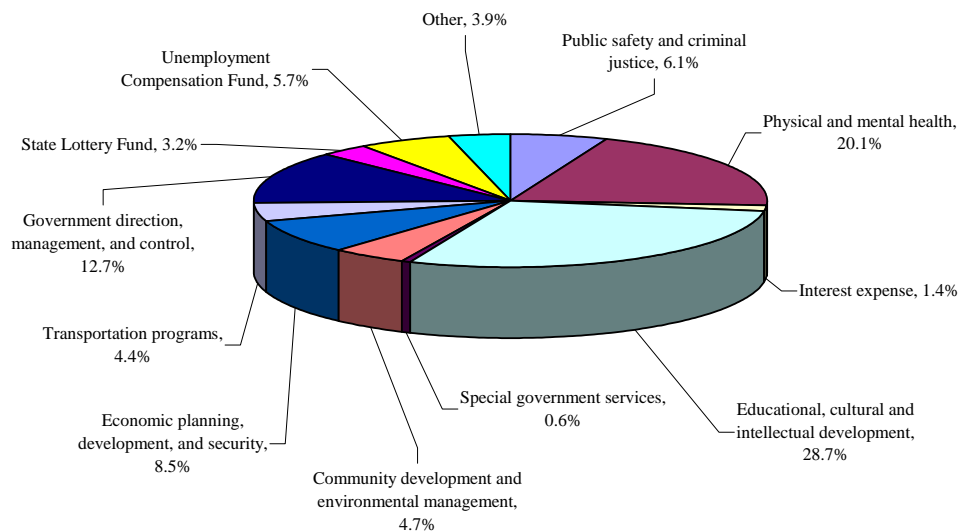
Governmental Activities – Revenues and Expenditures

The following pie charts depict governmental activities for revenues and expenditures for the fiscal year ended June 30, 2004:

**Revenues – Governmental Activities
Fiscal Year Ended June 30, 2004**



**Expenditures – Governmental Activities
Fiscal Year Ended June 30, 2004**



Fiscal Year 2004 Revenue and Expenditures

During Fiscal Year 2004, State revenues, net of transfers, totaled \$40.2 billion, an increase of \$471.6 million from the prior fiscal year. General taxes totaled \$20.9 billion and accounted for 52.1 percent of total State revenues for Fiscal Year 2004. This amount reflects a \$1.6 billion increase from the prior fiscal year. The State's Gross Income Tax totaled \$7.3 billion, the Sales and Use Tax totaled \$6.3 billion and the Corporation Business Tax totaled \$2.4 billion. The State's three major taxes comprised 76.0 percent of the total general taxes that were collected during Fiscal Year 2004.

Fiscal Year 2004 expenditures totaled \$43.7 billion, an increase of \$1.6 billion from the prior fiscal year. The largest increase in expenditures occurred in educational, cultural, and intellectual development areas.

This increase of \$1.9 billion represented a 17.4 percent increase over the prior fiscal year. Public safety and criminal justice increased \$163.5 million primarily as a result of increased funding in domestic security initiatives. Overall, 48.8 percent of all State expenditures occurred in the areas of education, higher education and physical and mental health.

Business-type Activities

For the fiscal year ended June 30, 2004, net assets of business-type activities totaled \$1.7 billion, a \$522.2 million decrease over the prior fiscal year. The major factor for this decrease was claims exceeding contributions in the Unemployment Compensation Fund.

FINANCIAL ANALYSIS OF THE STATE'S MAJOR FUNDS

The focus of the State's major governmental funds reported in the fund financial statements is on near term inflows, outflows, and balance of expendable resources, which are essential elements in assessing the State's financing needs and serve as useful measures of the government's net resources available for future spending. The State's governmental funds reported June 30, 2004 fund balances of \$7.1 billion. Of this amount, \$601.4 million, or 8.5 percent constituted unreserved undesignated fund balances.

The following table presents a fund balance comparison of the components of the State's budgeted ending undesignated fund balance for Fiscal Year 2004 and Fiscal Year 2003:

**Fund Balance Comparison
(Expressed In Millions)**

| Fund | Fiscal Year | | Change |
|--------------------------|--------------------|-----------------|-----------------|
| | 2004 | 2003 | |
| General Fund | \$ 376.5 | \$ 373.0 | \$ 3.5 |
| Surplus Revenue Fund | 282.4 | -- | 282.4 |
| Property Tax Relief Fund | 175.2 | -- | 175.2 |
| Casino Control Fund | 4.9 | 4.3 | 0.6 |
| Casino Revenue Fund | 22.7 | -- | 22.7 |
| Total | \$ 861.7 | \$ 377.3 | \$ 484.4 |

General Fund

The General Fund is the State's chief operating fund and is the fund into which all State revenues, not otherwise restricted by statute, are deposited. The General Fund's fiscal year ending fund balance totaled \$2.9 billion, of which, \$1.5 billion represented unreserved fund balances. During Fiscal Year 2004, total fund balance increased by \$601.9 million.

On a budgetary basis, general revenues of \$23.7 billion were \$3.0 billion lower than the final budget. Negative variances were primarily the result of reductions in federal and other grants of \$2.2 billion, licenses and fees of \$169.3 million, and service and assessments of \$124.8 million.

Total expenditures were \$3.3 billion lower than original appropriations set forth in the budget enacted during June 2003 plus supplemental appropriations during the fiscal year. This amount includes \$863.0 million from public safety and criminal justice, \$758.4 million from physical and mental health, \$493.7 million from community development and environmental management, \$479.2 million from economic planning, development and security, and \$333.3 million from government direction, management, and control. Other reductions include \$252.1 million from educational, cultural, and intellectual development, \$68.7 million from special government services, and \$64.3 million from transportation programs.

Even though general revenues were lower than the final budget, momentum from the State's economic recovery resulted in State General Fund revenues growing \$564.8 million higher than original certifications. During Fiscal Year 2004, the State deposited \$282.4 million into the Surplus Revenue Fund. The Surplus Revenue Fund is an account within the State's General Fund that is used as a "Rainy Day Fund." Surplus revenue is defined as an amount equivalent to 50.0 percent of the excess between the amount certified by the Governor at the time of the approval of the annual appropriations act and the amount of General Fund revenue reported from the annual financial report of the General Fund for that fiscal year.

Property Tax Relief Fund

The Property Tax Relief Fund accounts for revenues from the Gross Income Tax. Appropriations from this fund must be used exclusively for the constitutional purpose of reducing or offsetting property taxes. During Fiscal Year 2004, \$7.2 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2004 ending undesignated fund balance is \$175.2 million.

State Lottery Fund

Monies derived from the sale of State lottery tickets are deposited into this fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. Available fund balances are transferred to the State's General Fund in support of the amounts annually appropriated for State institutions and for education. The present value of obligations for future installment payments of lottery prizes, which are funded by the purchase of deposit fund contracts, are accounted for in this fund.

In Fiscal Year 2004, gross revenues totaled \$2.2 billion, of which 55.6 percent was returned in prizes, 35.6 percent went to State education and institutions, 7.8 percent was paid to sales agents and ticket vendors, and 1.0 percent covered Lottery operational and promotional expenses. As of June 30, 2004, the State Lottery, since its inception, has generated over \$34.7 billion in gross revenues, \$17.8 billion in prizes, and contributed \$14.0 billion to the State.

Unemployment Compensation Fund

The Unemployment Compensation Fund accounts for monies deposited from employers and employees contributions for unemployment compensation, amounts credited or advances made by the Federal Government, and amounts received from any other source. After consideration is given to any claim for refund of overpayment of contributions, the Division of Employment Security transfers the remainder to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund.

Component Units

Combined operating revenues and expenses for the State's component units for Fiscal Year 2004 amounted to \$7.5 billion and \$7.8 billion respectively. Total operations along with other financing sources and uses contributed to total combined net assets at fiscal year end of \$12.7 billion. The component units received \$1.8 billion in State appropriations during Fiscal Year 2004.

CAPITAL ASSET AND DEBT ADMINISTRATION

Administration of the State's capital assets falls under the purview of the Department of the Treasury. Capital assets are recorded under the State's General Fixed Asset System in the New Jersey Office of Management and Budget. The New Jersey Office of Public Finance is responsible for issuing the State's short-term and long-term debt obligations as well as overseeing the State's credit ratings.

The Fiscal Year 2004 capital budget included \$2.4 billion of State and matching Federal funds for both the Department of Transportation and the New Jersey Transit Corporation. The State's share, funded through the New Jersey Transportation Trust Fund Authority produced \$460.0 million for State highways, \$150.0 million for local highways, and \$618.2 million for mass transit. During Fiscal Year 2004, the New Jersey Economic Development Authority issued \$1.6 billion of School Facilities Construction Bonds to help fund the New Jersey Schools Construction Corporation's program. As of June 30, 2004, a total of

\$2.7 billion of the \$8.6 billion school facilities construction bond program has been issued. For Fiscal Year 2004, another \$98.0 million of State funds were appropriated to the Garden State Preservation Trust for conservation purposes, while 4.0 percent of the Corporation Business Tax was appropriated to fund hazardous discharge cleanup, underground storage tank improvements, and surface water quality projects.

Capital Assets are shown in the table below. The State's investment in capital assets, net of accumulated depreciation, totaled \$13.9 billion as of June 30, 2004. Depreciation charges for Fiscal Year 2004 totaled \$424.1 million.

Capital Assets (Net of Depreciation)
As of June 30
(Expressed In Millions)

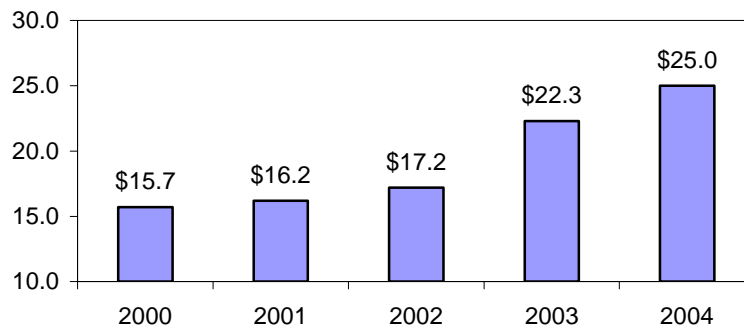
| | Total Primary Government | |
|----------------------------|---------------------------------|--------------------|
| | 2004 | 2003 |
| Land | \$ 651.5 | \$ 579.5 |
| Land Improvements | 25.0 | 24.9 |
| Buildings and Improvements | 1,460.3 | 1,390.9 |
| Equipment | 81.3 | 95.1 |
| Infrastructure | 11,290.9 | 10,681.3 |
| Sub-Total | 13,509.0 | 12,771.7 |
| Construction-In-Progress | 348.4 | 189.1 |
| Total | \$ 13,857.4 | \$ 12,960.8 |

More detailed information about the State's capital assets is presented in Note 6 – Capital Assets, in the Notes to the Financial Statements.

Long-Term Debt

As of June 30, 2004, New Jersey's outstanding long-term debt totaled \$25.0 billion, a \$2.7 billion increase over the prior fiscal year. In addition, the State has \$8.4 billion of legislatively authorized bonding capacity that has not yet been issued. During Fiscal Year 2004, the legislatively authorized bonding capacity decreased by \$2.4 billion. The State's long-term debt for the past five fiscal years is shown below:

Long-Term Debt
Fiscal Year 2000 to Fiscal Year 2004
(Expressed in Billions)



Note: Fiscal Year 2003 has been restated to \$22.3 billion, from \$18.8 billion due to the inclusion of Tobacco Settlement Financing Corporation, Inc. indebtedness as applied under GASB Technical Bulletin 2004-1, and the inclusion of \$99.6 million of capital leases excluded from last year's balance.

The State's long-term debt can be broken into bonded and non-bonded categories. Bonded categories include General Obligation Bonds, Revenue Bonds, Installment Obligations, Certificates of Participation, Tobacco Settlement Financing Corporation, Inc. Bonds, Unamortized Premium, and Unamortized Deferral on Refunding. Non-bonded categories include Capital Leases, Loans Payable, Accumulated Sick and Vacation Payable, Net Pension Obligation, and Other. A description of each category is as follows:

- **General Obligation Bonds** The State is empowered by voters to authorize, issue, and incur debt subject to certain constitutional restrictions. General obligation bond acts are both legislatively and voter-approved and are backed by the State's full faith and credit. Examples of capital projects financed by State General Obligation Bonds include correctional facilities, psychiatric institutions, dams, reservoirs, and transportation projects. As of June 30, 2004, the State had \$3.2 billion of State General Obligation Bonds outstanding with another \$742.4 million of bonding authorization remaining from various State General Obligation Bond Acts.
- **Revenue Bonds** This debt classification represents bond issuances whose segment of debt service is derived solely from legally restricted revenues. Revenue bonds include debt issued by the New Jersey Building Authority for the purpose of erecting office structures to support State operations, the Garden State Preservation Trust for the purpose of acquiring land to preserve for open space, and the New Jersey Transportation Trust Fund Authority for the purpose of constructing various transportation and transit related projects. As of June 30, 2004 the State had \$7.0 billion of Revenue Bonds outstanding with another \$1.7 billion of bonding authorization remaining for funding for Garden State Preservation Trust and New Jersey Transportation Trust Fund Authority programs. On May 6, 2004, the Garden State Preservation Trust sold \$500.0 million of its Open Space Farmland Preservation Bonds, 2005 Series A (Forward Delivery Bonds). The Garden State Preservation Trust expects to deliver these bonds on or about December 1, 2005.
- **Installment Obligations** This debt classification represents obligations whose debt service is subject to and dependent upon the State Legislature making annual appropriations. Installment obligations include bonds issued to help fund the State's school facilities construction program, and help fund the installation of college and university dormitory fire suppression equipment. The State's Installment Obligation Bonds outstanding as of June 30, 2004 total \$7.9 billion. Total authorized but unissued Installment Obligations equal \$6.0 billion as of June 30, 2004.
- **Certificates of Participation** Proceeds from certificates of participation are used primarily to finance State equipment needs under the State's master lease program. Currently, the State uses a line of credit as its preferred financing method. The State's Certificates of Participation outstanding as of June 30, 2004 equal \$77.4 million.
- **Tobacco Settlement Financing Corporation, Inc.** In November, 1998 the State entered into a master settlement agreement with participating cigarette manufacturers, 46 states, and six other United States jurisdictions in the settlement of certain smoking-related litigation. During Fiscal Year 2003, the State sold to the newly established Tobacco Settlement Financing Corporation, Inc., the State's right, title, and beneficial ownership interest in the State's right to receive tobacco settlement rights under the master settlement agreement. In return, the Tobacco Settlement Financing Corporation, Inc. issued \$3.5 billion of bonds to pay for the tobacco settlement rights. Proceeds of the two bond issuances were used to fund General Fund expenditures during Fiscal Year 2003 and Fiscal Year 2004. Under GASB Technical Bulletin No. 2004-1, the Tobacco Settlement Financing Corporation, Inc. has been re-classified as a blended component unit of the State from that of a discretely presented component unit. Therefore, the debt of the Tobacco Settlement Financing Corporation, Inc. is reflected as a part of the State's debt. After taking into account its bond discount, the Tobacco Settlement Financing Corporation, Inc. as of June 30, 2004 had \$3.3 billion of bonds outstanding.
- **Unamortized Premium (Net)** During Fiscal Year 2004, unamortized premium totaled \$498.6 million, a \$133.4 million increase from the prior fiscal year's end. This increase is mainly

attributed to the State issuing \$2.8 billion of bonds with associated premium. GASB Statement No. 34 requires the premium to be deferred and amortized over the life of the refunding bonds.

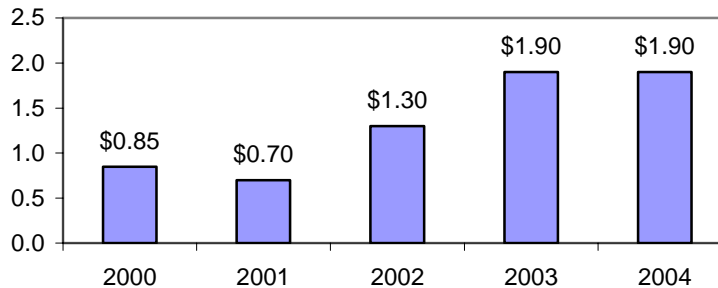
- **Unamortized Deferral on Refunding** Under GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, unamortized deferral on refunding shows the actual gain or loss on refunding transactions. Gains are shown as an asset and amortized over the shorter of the life of the refunding bonds or the bonds that were refunded. As of June 30, 2004 the State has issued \$466.6 million of refunding bonds that are to be amortized over a time period of 14.7 years to 19.8 years. GASB Statement No. 23 defines a gain/loss as the total outstanding amount of the old bonds minus the new refunding bonds issued minus the cost of issuance on the new refunding bonds. The refunding bonds, applicable to GASB Statement No. 23 interpretation, have a total loss of \$223.8 million.
- **Capital Leases** Capital Leases represent long-term contractual obligations that the State has entered into for the purpose of utilizing office space for State operations and program usage. Total Capital Leases outstanding as of June 30, 2004 equal \$691.5 million.
- **Loans Payable** Loans Payable represents amounts received by the New Jersey Automobile Insurance Guaranty Fund, from the New Jersey Property-Liability Insurance Guaranty Association (PLIGA). The loans were made in an effort to depopulate the New Jersey Automobile Insurance Guaranty Fund and to help satisfy its unfunded liability. PLIGA loans of \$1.3 billion remain outstanding as of June 30, 2004.
- **Accumulated Sick and Vacation** Pursuant to GASB Statement No. 16, *Accounting for Compensated Balances*, Accumulated Sick and Vacation payable represents the liability due to employees for unused sick and vacation time. As of June 30, 2004, this amount totals \$466.1 million.
- **Net Pension Obligation** Net Pension Obligation represents the \$361.1 million pension fund liability due to the State Police Retirement System, the Consolidated Police and Firemen's Retirement System, and the Teachers' Pension Annuity Fund as of June 30, 2004. Financial reporting requirements for net pension fund obligations fall under the purview of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*.
- **Other** Other includes obligations required to be reported as long-term indebtedness in accordance with the National Council on Governmental Accounting (NCGA) Statement No. 1. These obligations include health (\$120.6 million), dental (\$5.6 million), and Medicaid benefit claims (\$251.6 million of which \$119.7 million is federally reimbursable), which have been incurred but not reported.

Short-term Debt

The State's short-term note program provides effective cash flow management of imbalances that occur in the timing between collections and disbursements of State revenues and appropriations during the fiscal year. The State Treasurer is authorized to issue short-term debt instruments without it constituting a general obligation of the State, or a debt, or a liability within the meaning of the State Constitution. All short-term notes must be retired within twelve months of their issuance date. During Fiscal Year 2004, the State issued and retired \$1.9 billion in short-term notes.

The following chart details the amount of short-term borrowings the State has issued and retired since Fiscal Year 2000:

Short-Term Debt
Fiscal Year 2000 to Fiscal Year 2004
(Expressed in Billions)



More detailed information about the State's short-term debt program is presented in Note 8 – Short-term Debt, in the Notes to the Financial Statements.

Credit Ratings

Standard & Poor's Corporation, Moody's Investors Service, and Fitch Investors Service rate the State's debt. As of the date of the transmittal letter, the State's short-term and long-term credit rating are as follows:

| <u>Rating Agency</u> | <u>Short-Term</u> | <u>Long-Term</u> |
|-------------------------------|--------------------------|-------------------------|
| Standard & Poor's Corporation | SP-1+ | AA- |
| Moody's Investors Service | MIG 1 | Aa3 |
| Fitch Investors Service | F1+ | AA- |

ECONOMIC CONDITION AND OUTLOOK

New Jersey's economy continues to expand with the recovery showing signs of momentum in 2004. The State outperformed the nation in terms of job creation at a faster pace over last year. The State added over 103,000 jobs between the bottom of the employment cycle in March 2003 and September 2004. Payroll employment increased over 1.5 percent during the first nine months through September 2004 after declining slightly by 0.1 percent last year. New Jersey's jobless rate stayed at 4.8 percent in September 2004, well below the corresponding rate of 5.4 percent for the nation.

New Jersey's employment increased by 1.7 percent in September 2004 from over a year ago adding close to 69,000 jobs and continuing the positive year over year growth trend for the fifteenth consecutive month since July 2003, surpassing the pre-recession level. Overall, the State added 61,700 jobs between January and September of 2004. Employment gains were primarily spread across the service providing sectors with particularly strong growth in Professional and Business Services (12,800 jobs). The Government sector grew by 2.4 percent adding over 14,000 jobs during this period.

However, the State continues to suffer from job losses in manufacturing and downsizing in the telecommunications industry. Practically all the job losses in New Jersey, between January and September 2004, were concentrated in manufacturing (-3,300 jobs), which has been declining for more than a decade, but the pace of job losses appears to be leveling off. New Jersey's employment level remained consistently above the 4.0 million mark for the last seven months.

The United States' Department of Commerce's Bureau of Economic Analysis preliminary report released on September 28, 2004 indicates that during the second quarter of calendar year 2004, New Jersey's growth rate for personal income continued to improve at 4.7 percent over the revised growth of 4.1 percent during the first quarter of this year. Despite the slight increase in inflation rate (around 3.0 percent), the improving labor market conditions benefit New Jersey consumers and businesses. In addition, low interest rates continue to support spending on housing and other consumer durables in the State.

The State and the nation may experience further near-term slow growth and the expected recovery may stall into early calendar year 2005 if consumers, investors, and businesses become more concerned about geopolitical conditions. The future direction of economic expansion nationally and in New Jersey to a large extent hinges on the assumptions of no further terrorist attacks, stable energy prices, supportive monetary and fiscal policies and no further turmoil in the financial markets. However, the fundamentals of the State economic health remain stable and the long run prospects for economic growth of the State in calendar year 2005 and beyond are favorable.

New Jersey State Government has undertaken several budgetary initiatives to address revenue pressures facing the State while the pace of the economic recovery becomes more consistent and stable. These initiatives include imposing a new fee on mobile telecommunications and telecommunications exchange customers and sale of new motor vehicle tires, implementing annual toxic surcharge based on emissions, increasing the tax rate on high income Gross Income Tax payers and cigarettes, and imposing a 6.0 percent gross receipts tax on certain cosmetic medical procedures. Other initiatives include limiting the Corporation Business Tax application on net operating loss provision to 50.0 percent of taxable income for tax years 2004 and 2005, revising outdoor advertising law and local tax treatment of certain outdoor signs, changing the phase-out schedule for the transitional energy facility assessment unit rate surcharges, and imposing "general purpose fee" on certain realty transfers and a fee on the purchase of residential property for over \$1.0 million.

REQUEST FOR INFORMATION

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004 is designed to provide a general overview of the State of New Jersey's finances to our citizens, taxpayers, customers, investors, and creditors and to demonstrate the State's accountability for the money it receives and the stewardship over its resources. Requests concerning any of the data presented in this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004 or for additional information should be addressed to the State of New Jersey, Office of Management and Budget, P.O. Box 221, 33 West State Street, 6th Floor, Trenton, New Jersey, 08625. Copies of this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003, the State Budget, and the Appropriations Handbook are also available at the following website: www.state.nj.us/treasury/omb.

**STATE OF NEW JERSEY
STATEMENT OF NET ASSETS
JUNE 30, 2004**

| | Primary Government | | | |
|--|----------------------------|-----------------------------|---------------------|--------------------|
| | Governmental Activities | Business-type Activities | Total | Component Units |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 383,876,055 | \$ 1,919,252 | \$ 385,795,307 | \$ 1,135,619,524 |
| Investments | 4,962,142,553 | 667,683,295 | 5,629,825,848 | 9,800,906,774 |
| Receivables, net of allowances for uncollectibles | | | | |
| Federal government | 705,430,887 | 1,142,640,255 | 1,848,071,142 | 246,614,190 |
| Departmental accounts | 2,193,712,033 | 470,530,162 | 2,664,242,195 | -- |
| Loans | 969,452,596 | -- | 969,452,596 | 1,500,700,316 |
| Mortgages | -- | -- | -- | 2,011,671,077 |
| Other | 942,730,119 | 140,771,910 | 1,083,502,029 | 1,839,575,080 |
| Internal balances | 88,708,204 | (88,708,204) | -- | -- |
| Due from external parties | 17,423,531 | -- | 17,423,531 | 36,583,527 |
| Inventories | -- | -- | -- | 72,123,747 |
| Other | 179,367,567 | 14,203,751 | 193,571,318 | 1,156,369,797 |
| Noncurrent Assets: | | | | |
| Investments | -- | 821,629,480 | 821,629,480 | -- |
| Pension assets | 52,107,130 | -- | 52,107,130 | -- |
| Capital assets, net | 13,857,442,711 | -- | 13,857,442,711 | 16,576,472,973 |
| Total Assets | 24,352,393,386 | 3,170,669,901 | 27,523,063,287 | 34,376,637,005 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable and accrued expenses | 2,085,166,494 | 447,758,134 | 2,532,924,628 | 881,078,466 |
| Due to external parties | 19,333,432 | -- | 19,333,432 | 117,899,963 |
| Interest payable | 197,199,288 | -- | 197,199,288 | 158,196,313 |
| Deferred revenue | 267,602,176 | 4,836,606 | 272,438,782 | 155,987,857 |
| Other | 864,588,122 | 47,273,945 | 911,862,067 | 559,108,303 |
| Noncurrent Liabilities: | | | | |
| Due within one year | 1,436,696,278 | 150,691,304 | 1,587,387,582 | 1,097,977,982 |
| Due in more than one year | 23,521,474,228 | 822,458,431 | 24,343,932,659 | 18,748,235,051 |
| Total Liabilities | 28,392,060,018 | 1,473,018,420 | 29,865,078,438 | 21,718,483,935 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 5,221,771,442 | -- | 5,221,771,442 | 1,037,820,680 |
| Restricted for: | | | | |
| Capital projects | -- | -- | -- | 6,003,980,494 |
| Educational, cultural, and intellectual development | 292,197,351 | -- | 292,197,351 | -- |
| Community development and environmental management | 1,930,134,431 | -- | 1,930,134,431 | -- |
| Economic planning, development, and security | 712,342,515 | -- | 712,342,515 | -- |
| Debt service | -- | -- | -- | 705,542,323 |
| Unclaimed property | 266,297,733 | -- | 266,297,733 | -- |
| Unemployment | -- | 1,539,200,633 | 1,539,200,633 | -- |
| Other | 514,355,778 | 158,450,848 | 672,806,626 | 2,106,419,318 |
| Unrestricted | (12,976,765,882) | -- | (12,976,765,882) | 2,804,390,255 |
| Total Net Assets | \$ (4,039,666,632) | \$ 1,697,651,481 | \$ (2,342,015,151) | \$ 12,658,153,070 |

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | | Program Revenues | | |
|---|---------------------------------|--------------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| | Expenses | | | |
| Functions - Programs | | | | |
| Primary Government: | | | | |
| Governmental activities: | | | | |
| Public safety and criminal justice | \$ 2,667,952,645 | \$ 968,734,515 | \$ 256,502,680 | \$ 3,050,166 |
| Physical and mental health | 8,806,383,402 | 703,613,113 | 692,500,300 | -- |
| Educational, cultural, and intellectual development | 12,548,510,462 | 97,271,248 | 821,485,162 | 14,805 |
| Community development and environmental management | 2,040,764,135 | 244,609,790 | 526,889,205 | 70,885,445 |
| Economic planning, development and security | 3,714,764,492 | 517,688,585 | 397,203,575 | 22,025,000 |
| Transportation programs | 1,902,614,001 | 15,073,404 | 788,685,677 | 30,608,620 |
| Government direction, management, and control | 5,547,636,236 | 693,503,832 | 5,496,051,250 | -- |
| Special government services | 267,238,834 | 100,496,551 | 5,700,675 | 14,294,072 |
| Interest expense | 624,265,977 | -- | -- | -- |
| Total governmental activities | <u>38,120,130,184</u> | <u>3,340,991,038</u> | <u>8,985,018,524</u> | <u>140,878,108</u> |
| Business-type activities: | | | | |
| State Lottery Fund | 1,413,187,903 | 2,231,037,500 | 1,126,443 | -- |
| Unemployment Compensation Fund | 2,481,525,297 | 1,407,217,654 | 477,787,612 | -- |
| Other | 1,700,680,357 | 1,679,172,486 | 2,841,106 | -- |
| Total business-type activities | <u>5,595,393,557</u> | <u>5,317,427,640</u> | <u>481,755,161</u> | <u>--</u> |
| Total primary government | <u><u>\$ 43,715,523,741</u></u> | <u><u>\$ 8,658,418,678</u></u> | <u><u>\$ 9,466,773,685</u></u> | <u><u>\$ 140,878,108</u></u> |
| Component Units: | | | | |
| Authorities | \$ 3,655,680,672 | \$ 1,806,098,991 | \$ 1,530,161,757 | \$ 950,755,433 |
| Colleges and Universities | 4,187,663,717 | 1,999,854,723 | 1,109,984,259 | 77,012,270 |
| Total Component Units | <u><u>\$ 7,843,344,389</u></u> | <u><u>\$ 3,805,953,714</u></u> | <u><u>\$ 2,640,146,016</u></u> | <u><u>\$ 1,027,767,703</u></u> |
| General Revenues and Transfers: | | | | |
| Taxes: | | | | |
| Gross Income Tax | | | | |
| Sales and Use Tax | | | | |
| Corporate Business Tax | | | | |
| Other taxes | | | | |
| Investment earnings | | | | |
| Payments from State | | | | |
| Miscellaneous | | | | |
| Transfers | | | | |
| Total general revenue and transfers | | | | |
| Change in net assets | | | | |
| Net Assets July 1, 2003 (Restated) | | | | |
| Net Assets June 30, 2004 | | | | |

The accompanying notes are an integral part of the financial statements.

-----Net (Expense) Revenue and Changes in Net Assets-----

| Primary Government | | | |
|----------------------------|-----------------------------|----------------------------|--------------------------|
| Governmental Activities | Business-type Activities | Total | Component Units |
| \$ (1,439,665,284) | \$ -- | \$ (1,439,665,284) | \$ -- |
| (7,410,269,989) | -- | (7,410,269,989) | -- |
| (11,629,739,247) | -- | (11,629,739,247) | -- |
| (1,198,379,695) | -- | (1,198,379,695) | -- |
| (2,777,847,332) | -- | (2,777,847,332) | -- |
| (1,068,246,300) | -- | (1,068,246,300) | -- |
| 641,918,846 | -- | 641,918,846 | -- |
| (146,747,536) | -- | (146,747,536) | -- |
| (624,265,977) | -- | (624,265,977) | -- |
| (25,653,242,514) | -- | (25,653,242,514) | -- |
| -- | 818,976,040 | 818,976,040 | -- |
| -- | (596,520,031) | (596,520,031) | -- |
| -- | (18,666,765) | (18,666,765) | -- |
| -- | 203,789,244 | 203,789,244 | -- |
| (25,653,242,514) | 203,789,244 | (25,449,453,270) | -- |
| -- | -- | -- | 631,335,509 |
| -- | -- | -- | (1,000,812,465) |
| -- | -- | -- | (369,476,956) |
| 7,271,732,606 | -- | 7,271,732,606 | -- |
| 6,254,591,942 | -- | 6,254,591,942 | -- |
| 2,388,169,715 | -- | 2,388,169,715 | -- |
| 5,026,146,751 | -- | 5,026,146,751 | -- |
| 59,787,173 | -- | 59,787,173 | -- |
| -- | -- | -- | 1,769,920,103 |
| 1,890,805,268 | -- | 1,890,805,268 | -- |
| (211,687,237) | (726,003,052) | (937,690,289) | -- |
| 22,679,546,218 | (726,003,052) | 21,953,543,166 | 1,769,920,103 |
| (2,973,696,296) | (522,213,808) | (3,495,910,104) | 1,400,443,147 |
| (1,065,970,336) | 2,219,865,289 | 1,153,894,952 | 11,257,709,923 |
| <u>\$ (4,039,666,632)</u> | <u>\$ 1,697,651,481</u> | <u>\$ (2,342,015,151)</u> | <u>\$ 12,658,153,070</u> |

**STATE OF NEW JERSEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004**

| | <u>General Fund</u> | <u>Property Tax Relief Fund</u> | <u>Non-Major Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|---|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 334,251,452 | \$ -- | \$ 49,624,603 | \$ 383,876,055 |
| Investments | 1,679,326,430 | -- | 3,282,816,123 | 4,962,142,553 |
| Receivables, net of allowances for uncollectibles | | | | |
| Federal government | 449,444,644 | -- | 136,277,473 | 585,722,117 |
| Departmental accounts | 1,432,183,631 | 384,723,143 | 376,805,259 | 2,193,712,033 |
| Loans | 19,162,109 | -- | 950,290,487 | 969,452,596 |
| Other | 210,216,782 | -- | 308,692,644 | 518,909,426 |
| Due from other funds | 858,840,465 | 140,719,778 | 331,600,962 | 1,331,161,205 |
| Other | | | | |
| Deferred charges | 2,940,000 | -- | -- | 2,940,000 |
| Other | 48,706,630 | -- | 7,239,528 | 55,946,158 |
| Total Assets | <u>\$ 5,035,072,143</u> | <u>\$ 525,442,921</u> | <u>\$ 5,443,347,079</u> | <u>\$ 11,003,862,143</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable and accruals | \$ 1,539,502,443 | \$ 6,715,314 | \$ 538,948,737 | \$ 2,085,166,494 |
| Deferred revenue | 254,978,166 | -- | 135,196,010 | 390,174,176 |
| Due to other funds | 293,452,798 | 253,760,434 | 697,149,670 | 1,244,362,902 |
| Other | 93,503,228 | 76,072,352 | 28,012,542 | 197,588,122 |
| Total Liabilities | <u>2,181,436,635</u> | <u>336,548,100</u> | <u>1,399,306,959</u> | <u>3,917,291,694</u> |
| Fund Balances | | | | |
| Reserved for: | | | | |
| Encumbrances | 664,425,595 | 7,865,793 | 673,076,744 | 1,345,368,132 |
| Surplus revenue | 282,416,413 | -- | -- | 282,416,413 |
| Other | 415,228,633 | -- | 1,479,808,256 | 1,895,036,889 |
| Unreserved: | | | | |
| General Fund | 1,491,564,867 | -- | -- | 1,491,564,867 |
| Special Revenue Funds | -- | 181,029,028 | 1,720,412,644 | 1,901,441,672 |
| Debt Service Fund | -- | -- | 239,349 | 239,349 |
| Capital Projects Funds | -- | -- | 170,503,127 | 170,503,127 |
| Total Fund Balances | <u>2,853,635,508</u> | <u>188,894,821</u> | <u>4,044,040,120</u> | <u>7,086,570,449</u> |
| Total Liabilities and Fund Balances | <u>\$ 5,035,072,143</u> | <u>\$ 525,442,921</u> | <u>\$ 5,443,347,079</u> | <u>\$ 11,003,862,143</u> |

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW JERSEY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004**

| | | |
|---|-----------|----------------------|
| Total fund balances-governmental funds | \$ | 7,086,570,449 |
|---|-----------|----------------------|

Amounts reported for governmental activities in the statement of net assets are different as a result of the following items:

| | | |
|---|--|-------------|
| The State has receivables which are not current resources and therefore are not reported in the fund perspective. | | 543,529,463 |
|---|--|-------------|

| | | |
|---|--|-------------|
| In the government-wide statements deferred issuance costs are capitalized and amortized over a period of years, but are reported as expenditures in the fund perspective. | | 120,481,409 |
|---|--|-------------|

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund perspective. These assets consist of:

| | | |
|----------------------------|------------------------|----------------|
| Infrastructure assets | \$ 15,935,408,610 | |
| Buildings and improvements | 2,687,792,397 | |
| Land and land improvements | 735,508,794 | |
| Other capital assets | 653,437,434 | |
| Accumulated depreciation | <u>(6,154,704,524)</u> | 13,857,442,711 |

| | | |
|--|--|-------------|
| Deferred tobacco settlement revenue recorded in the fund perspective is recognized as revenue and not deferred in the statement of net assets. | | 122,572,000 |
|--|--|-------------|

| | | |
|--|--|------------|
| The pension assets are not current and therefore are not reported in the fund perspective. | | 52,107,130 |
|--|--|------------|

Some liabilities are not due and payable in the current period and therefore are not reported in the fund perspective. Those liabilities consist of:

| | | |
|--|----------------------|------------------|
| Current Liabilities | | |
| Refunds due to taxpayers | \$ (667,000,000) | |
| Accrued interest | <u>(197,199,288)</u> | (864,199,288) |
| Noncurrent Liabilities | | |
| Bonds and notes payable | (10,186,152,357) | |
| Installment obligations | (7,914,426,275) | |
| Loans payable | (1,279,358,087) | |
| Capital leases | (691,518,867) | |
| Compensated absences | (466,126,031) | |
| Unamortized deferral on refunding bonds | 223,753,886 | |
| Unamortized premium | (498,640,583) | |
| Tobacco Settlement Financing Corporation, Inc. bonds | (3,329,406,420) | |
| Other noncurrent liabilities | <u>(816,295,772)</u> | (24,958,170,506) |

| | | |
|--|-----------|-------------------------------|
| Net assets of governmental activities | \$ | <u>(4,039,666,632)</u> |
|--|-----------|-------------------------------|

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | General Fund | Property Tax Relief Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---|-------------------------|---------------------------------|-------------------------------------|---------------------------------|
| REVENUES | | | | |
| Taxes | \$ 11,866,659,748 | \$ 7,400,732,606 | \$ 1,741,533,617 | \$ 21,008,925,971 |
| Federal and other grants | 7,653,663,535 | -- | 841,516,731 | 8,495,180,266 |
| Licenses and fees | 706,970,624 | -- | 104,555,571 | 811,526,195 |
| Services and assessments | 1,458,046,470 | -- | 377,235,225 | 1,835,281,695 |
| Investment earnings | 42,472,602 | -- | 54,401,458 | 96,874,060 |
| Contributions | 281,865,051 | -- | 17,953 | 281,883,004 |
| Other | 2,778,541,616 | -- | 435,249,880 | 3,213,791,496 |
| Total Revenues | 24,788,219,646 | 7,400,732,606 | 3,554,510,435 | 35,743,462,687 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety and criminal justice | 2,638,216,320 | -- | 95,330,223 | 2,733,546,543 |
| Physical and mental health | 8,284,419,265 | -- | 542,180,559 | 8,826,599,824 |
| Educational, cultural, and intellectual development | 6,223,363,773 | 5,329,877,153 | 1,170,380,789 | 12,723,621,715 |
| Community development and environmental management | 971,809,289 | 936,270,040 | 253,520,626 | 2,161,599,955 |
| Economic planning, development, and security | 3,072,175,117 | -- | 691,421,719 | 3,763,596,836 |
| Transportation programs | 365,139,312 | -- | 2,186,727,573 | 2,551,866,885 |
| Government direction, management, and control | 4,207,990,123 | 959,649,436 | 337,788,777 | 5,505,428,336 |
| Special government services | 270,641,367 | -- | 212,004 | 270,853,371 |
| Capital Outlay | 326,335,639 | -- | -- | 326,335,639 |
| Debt Service: | | | | |
| Principal | -- | -- | 483,354,412 | 483,354,412 |
| Interest | -- | -- | 650,489,779 | 650,489,779 |
| Total Expenditures | 26,360,090,205 | 7,225,796,629 | 6,411,406,461 | 39,997,293,295 |
| Excess (deficiency) of revenues over expenditures | (1,571,870,559) | 174,935,977 | (2,856,896,026) | (4,253,830,608) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of bonds | -- | -- | 1,139,810,000 | 1,139,810,000 |
| Transfers from (to) other funds | 226,516,861 | (16,067,759) | (422,111,932) | (211,662,830) |
| Other | 1,947,245,580 | -- | 77,037,421 | 2,024,283,001 |
| Total other financing sources (uses) | 2,173,762,441 | (16,067,759) | 794,735,489 | 2,952,430,171 |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 601,891,882 | 158,868,218 | (2,062,160,537) | (1,301,400,437) |
| Fund balances - July 1, 2003 (Restated) | 2,251,743,626 | 30,026,603 | 6,106,200,657 | 8,387,970,886 |
| Fund balances - June 30, 2004 | \$ 2,853,635,508 | \$ 188,894,821 | \$ 4,044,040,120 | \$ 7,086,570,449 |

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW JERSEY
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2004**

Net change in fund balance - total governmental funds **\$ (1,301,400,437)**

Amounts reported for governmental activities in the statement of activities are different as a result of the following items:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense. In the current period, these amounts are:

| | | |
|--|------------------|-------------|
| Capital outlay | \$ 1,320,744,519 | |
| Depreciation expense | (424,142,122) | |
| Excess of capital outlay over depreciation expense | | 896,602,397 |

| | |
|---|------------|
| Pension assets resulting from contributions in excess of the annual required contribution are not financial resources and are not reported in the fund perspective. | 52,107,130 |
|---|------------|

| | |
|---|-----------------|
| Bond proceeds provide current financial resources to governmental funds. However, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from revenue and general obligation bonds. | (1,139,810,000) |
|---|-----------------|

| | |
|--|-----------------|
| Some capital additions were financed through capital leases, certificates of participation and installment obligations. In governmental funds these arrangements are considered a source of financing, but in the statement of net assets, these arrangements are reported as a liability. | (1,876,335,682) |
|--|-----------------|

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year these amounts consist of:

| | | |
|--|-------------|-------------|
| Bond principal retirement | 495,540,248 | |
| Capital lease payments | 53,484,244 | |
| Installment obligation retirement | 165,151,620 | |
| Certificates of participation retirement | 44,939,374 | |
| Tobacco Settlement Financing Corp, Inc. | 18,625,000 | |
| Total long-term debt repayment | | 777,740,486 |

| | |
|---|------------|
| Because some revenues will not be collected for several months after the fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds. The Fiscal Year 2004 receivable balances increased by this amount. | 70,237,349 |
|---|------------|

| | |
|--|------------|
| Some revenues recorded in the Statement of Activities do not provide current financial resources and therefore are deferred in the fund perspective. | 62,476,000 |
|--|------------|

In the government-wide statements certain items are capitalized and amortized over a period of years, but are reported as expenditures or other financing sources and uses in the fund perspective. These activities consist of:

| | | |
|--|---------------|---------------|
| Increase in unamortized premiums | (117,744,262) | |
| Decrease in deferral on refunding issues | (18,997,473) | |
| Increase in deferred issuance costs | 21,675,402 | |
| Total capitalized and amortized items | | (115,066,333) |

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures or reductions of revenue in governmental funds. These activities consist of:

| | | |
|---|---------------|---------------|
| Net decrease in accrued interest | 18,797,649 | |
| Increase in compensated absences, net pension obligation, and other | (308,044,855) | |
| Increase in revenue refunds payable | (111,000,000) | |
| Total additional expenditures and revenue reductions | | (400,247,206) |

| | |
|--|---------------------------|
| Change in net assets of governmental activities | \$ (2,973,696,296) |
|--|---------------------------|

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW JERSEY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2004**

| | State Lottery Fund | Unemployment Compensation Fund | Total Non-Major Proprietary Funds | Total Proprietary Funds |
|--|-----------------------------------|---|--|--|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 615,965 | \$ 351,853 | \$ 951,434 | \$ 1,919,252 |
| Investments | 298,826,146 | 55,187,168 | 313,669,981 | 667,683,295 |
| Receivables, net of allowances for uncollectibles | | | | |
| Federal government | -- | 1,142,640,255 | -- | 1,142,640,255 |
| Departmental accounts | -- | 470,530,162 | -- | 470,530,162 |
| Other | 39,149,762 | 17,587,868 | 84,034,280 | 140,771,910 |
| Due from other funds | -- | 27,754,154 | 962,960 | 28,717,114 |
| Other | 14,203,751 | -- | -- | 14,203,751 |
| Noncurrent Assets | | | | |
| Investments | 821,629,480 | -- | -- | 821,629,480 |
| Total Assets | 1,174,425,104 | 1,714,051,460 | 399,618,655 | 3,288,095,219 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts payable | 85,587,378 | 105,599,613 | 256,571,143 | 447,758,134 |
| Deferred revenue | -- | -- | 4,836,606 | 4,836,606 |
| Due to other funds | 94,586,333 | 21,977,269 | 861,716 | 117,425,318 |
| Other | -- | 47,273,945 | -- | 47,273,945 |
| Noncurrent Liabilities | | | | |
| Due within one year | 150,691,304 | -- | -- | 150,691,304 |
| Due in more than one year | 822,458,431 | -- | -- | 822,458,431 |
| Total Liabilities | 1,153,323,446 | 174,850,827 | 262,269,465 | 1,590,443,738 |
| NET ASSETS | | | | |
| Restricted for: | | | | |
| Unemployment compensation | -- | 1,539,200,633 | -- | 1,539,200,633 |
| Other purposes | 21,101,658 | -- | 137,349,190 | 158,450,848 |
| Total Net Assets | \$ 21,101,658 | \$ 1,539,200,633 | \$ 137,349,190 | \$ 1,697,651,481 |

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | State Lottery Fund | Unemployment Compensation Fund | Non-Major Proprietary Funds | Total Proprietary Funds |
|--|-----------------------------|--------------------------------------|-----------------------------------|--------------------------------|
| OPERATING REVENUES | | | | |
| Sales and charges for services | \$ 2,186,669,795 | \$ -- | \$ -- | \$ 2,186,669,795 |
| Assessments | -- | 1,406,548,402 | -- | 1,406,548,402 |
| Contributions | -- | -- | 1,664,635,079 | 1,664,635,079 |
| From federal agencies | -- | 388,964,804 | -- | 388,964,804 |
| Other | 44,367,705 | 669,252 | 14,537,407 | 59,574,364 |
| Total Operating Revenues | <u>2,231,037,500</u> | <u>1,796,182,458</u> | <u>1,679,172,486</u> | <u>5,706,392,444</u> |
| OPERATING EXPENSES | | | | |
| Unemployment compensation | -- | 2,472,707,804 | -- | 2,472,707,804 |
| Benefit payments | -- | -- | 1,700,680,357 | 1,700,680,357 |
| Lottery prize awards | 1,239,739,586 | -- | -- | 1,239,739,586 |
| Other | 173,448,317 | -- | -- | 173,448,317 |
| Total Operating Expenses | <u>1,413,187,903</u> | <u>2,472,707,804</u> | <u>1,700,680,357</u> | <u>5,586,576,064</u> |
| Operating Income (Loss) | <u>817,849,597</u> | <u>(676,525,346)</u> | <u>(21,507,871)</u> | <u>119,816,380</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment income | 1,126,443 | 88,822,808 | 2,841,106 | 92,790,357 |
| Miscellaneous revenue (expense) | -- | (8,817,493) | -- | (8,817,493) |
| Total nonoperating revenue (expenses) | <u>1,126,443</u> | <u>80,005,315</u> | <u>2,841,106</u> | <u>83,972,864</u> |
| Income (loss) before transfers | 818,976,040 | (596,520,031) | (18,666,765) | 203,789,244 |
| Transfers in (out) | (815,586,333) | -- | 89,583,281 | (726,003,052) |
| Change in net assets | <u>3,389,707</u> | <u>(596,520,031)</u> | <u>70,916,516</u> | <u>(522,213,808)</u> |
| Total Net Assets - July 1, 2003 | <u>17,711,951</u> | <u>2,135,720,664</u> | <u>66,432,674</u> | <u>2,219,865,289</u> |
| Total Net Assets - June 30, 2004 | <u><u>\$ 21,101,658</u></u> | <u><u>\$ 1,539,200,633</u></u> | <u><u>\$ 137,349,190</u></u> | <u><u>\$ 1,697,651,481</u></u> |

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW JERSEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | State Lottery Fund | Unemployment Compensation Fund |
|--|-----------------------------------|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts received from customers | \$ 1,134,667,315 | \$ -- |
| Receipts from federal and local agencies | -- | 523,630,406 |
| Receipts from assessments | -- | 1,227,431,481 |
| Payments to suppliers | (53,835,764) | -- |
| Payments to prize winners | (411,924,875) | -- |
| Claims paid | -- | (1,830,805,413) |
| Other receipts (payments) | 148,893,731 | -- |
| Net cash provided (used) by operating activities | 817,800,407 | (79,743,526) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers in (out) | (812,498,389) | -- |
| Miscellaneous receipts (payments) | -- | (8,817,493) |
| Net cash provided (used) by noncapital financing activities | (812,498,389) | (8,817,493) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of investments | 1,049,055,000 | -- |
| Interest and dividends | -- | 88,822,808 |
| Purchase of investments | (1,055,750,000) | -- |
| Other | -- | -- |
| Net cash provided (used) by investing activities | (6,695,000) | 88,822,808 |
| Net increase (decrease) in cash and cash equivalents | (1,392,982) | 261,789 |
| Cash and cash equivalents - July 1, 2003 | 2,008,947 | 90,064 |
| Cash and cash equivalents - June 30, 2004 | \$ 615,965 | \$ 351,853 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities | | |
| Operating income (loss) | \$ 817,849,597 | \$ (676,525,346) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities | | |
| Net changes in assets and liabilities: | | |
| Current assets | (6,815,863) | 668,959,145 |
| Noncurrent assets | 52,597,927 | -- |
| Current liabilities | 20,845,168 | (72,177,325) |
| Noncurrent liabilities | (66,676,422) | -- |
| Net cash provided (used) by operating activities | \$ 817,800,407 | \$ (79,743,526) |

The accompanying notes are an integral part of the financial statements.

| Non-Major Proprietary Funds | Total Proprietary Funds |
|--|--|
| \$ 85,842,721 | \$ 1,220,510,036 |
| 1,592,800,571 | 2,116,430,977 |
| -- | 1,227,431,481 |
| -- | (53,835,764) |
| -- | (411,924,875) |
| (1,645,592,017) | (3,476,397,430) |
| (3,911,407) | 144,982,324 |
| <u>29,139,868</u> | <u>767,196,749</u> |
| 89,583,281 | (722,915,108) |
| -- | (8,817,493) |
| <u>89,583,281</u> | <u>(731,732,601)</u> |
| -- | 1,049,055,000 |
| 3,005,964 | 91,828,772 |
| (124,004,973) | (1,179,754,973) |
| (164,858) | (164,858) |
| <u>(121,163,867)</u> | <u>(39,036,059)</u> |
| (2,440,718) | (3,571,911) |
| <u>3,392,152</u> | <u>5,491,163</u> |
| <u>\$ 951,434</u> | <u>\$ 1,919,252</u> |
| \$ (21,507,871) | \$ 119,816,380 |
| (529,195) | 661,614,087 |
| -- | 52,597,927 |
| 51,176,934 | (155,223) |
| -- | (66,676,422) |
| <u>\$ 29,139,868</u> | <u>\$ 767,196,749</u> |

**STATE OF NEW JERSEY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2004**

| | Agency Funds | Investment Trust Fund |
|--|-------------------------|----------------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 8,206,401 | \$ 1,415,527,913 |
| Investments | 89,306,262 | 3,366,955,269 |
| Receivables, net of allowances for uncollectibles | | |
| Members | -- | -- |
| Employers | 2,484,014 | -- |
| Interest and dividends | -- | -- |
| Departmental accounts | 760,759 | -- |
| Other | 69,473 | 5,713,167 |
| Due from other funds | 8,715,921 | -- |
| Other | -- | -- |
| Total Assets | <u>109,542,830</u> | <u>4,788,196,349</u> |
| LIABILITIES | | |
| Accounts payable | 106,017,770 | 204,817,098 |
| Benefits payable | -- | -- |
| Due to other funds | <u>3,525,060</u> | <u>3,033,826</u> |
| Total Liabilities | <u>109,542,830</u> | <u>207,850,924</u> |
| NET ASSETS | | |
| Held in Trust for Pension Benefits and Other Purposes | <u>\$ --</u> | <u>\$ 4,580,345,425</u> |

The accompanying notes are an integral part of the financial statements.

| Pension and Other Employee Benefits Trust Funds | Private Purpose Trust Funds |
|--|--|
| \$ 591,231 | \$ 717,901 |
| 69,239,905,430 | 11,158,288 |
| 172,571,687 | -- |
| 1,145,886,836 | -- |
| 330,857,626 | -- |
| -- | -- |
| -- | -- |
| 13,048,307 | -- |
| 1,183,221,649 | -- |
| <u>72,086,082,766</u> | <u>11,876,189</u> |
| 59,566,227 | 2,748,975 |
| 367,719,166 | -- |
| <u>9,950,734</u> | <u>3,344,707</u> |
| <u>437,236,127</u> | <u>6,093,682</u> |
| <u><u>\$ 71,648,846,639</u></u> | <u><u>\$ 5,782,507</u></u> |

**STATE OF NEW JERSEY
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | Investment Trust Fund | Pension and Other Employee Benefits Trust Funds | Private Purpose Trust Funds |
|--|----------------------------------|--|--|
| ADDITIONS | | | |
| Contributions: | | | |
| Members | \$ -- | \$ 1,196,974,064 | \$ -- |
| Employers | -- | 1,504,583,395 | -- |
| Other | 13,928,706,503 | 11,353,192 | -- |
| Total Contributions | 13,928,706,503 | 2,712,910,651 | -- |
| Investment Income: | | | |
| Net increase (decrease) in fair value of investments | -- | 6,833,728,136 | -- |
| Interest and dividends | 53,534,483 | 1,979,545,008 | 117,081 |
| Total Investment Income | 53,534,483 | 8,813,273,144 | 117,081 |
| Less investment expense | -- | 8,069,985 | -- |
| Net Investment Income | 53,534,483 | 8,805,203,159 | 117,081 |
| Miscellaneous | -- | -- | 286,742 |
| Total Additions | 13,982,240,986 | 11,518,113,810 | 403,823 |
| DEDUCTIONS | | | |
| Benefit payments | -- | 5,261,678,081 | -- |
| Refunds of contributions | -- | 116,429,066 | -- |
| Refunds and transfers to other systems | -- | -- | 24,407 |
| Administrative expense | -- | 32,219,076 | -- |
| Payments in accordance with trust agreements | -- | -- | 80,765 |
| Distributions to shareholders | 16,370,215,409 | -- | -- |
| Total Deductions | 16,370,215,409 | 5,410,326,223 | 105,172 |
| Total Changes in Net Assets Held In Trust | (2,387,974,423) | 6,107,787,587 | 298,651 |
| Net Assets - July 1, 2003 | 6,968,319,848 | 65,541,059,052 | 5,483,856 |
| Net Assets - June 30, 2004 | <u>\$ 4,580,345,425</u> | <u>\$ 71,648,846,639</u> | <u>\$ 5,782,507</u> |

The accompanying notes are an integral part of the financial statements.

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**STATE OF NEW JERSEY
STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2004**

| | New Jersey Transit Corporation | New Jersey Turnpike Authority | Rutgers, The State University of New Jersey |
|--|---|--|--|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 77,874,622 | \$ 193,943,263 | \$ 35,222,000 |
| Investments | 2,293,397,303 | 1,287,155,274 | 867,080,000 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | 198,672,095 | -- | -- |
| Loans | -- | -- | 7,592,000 |
| Mortgages | -- | -- | -- |
| Other | -- | 75,000 | 125,474,000 |
| Due from external parties | -- | 22,201,385 | -- |
| Inventories | 63,360,415 | -- | 3,729,000 |
| Other | 201,408,094 | 505,618,205 | 106,731,000 |
| Noncurrent Assets | | | |
| Fixed assets, net | 6,962,750,647 | 3,237,692,756 | 1,481,862,000 |
| Total Assets | 9,797,463,176 | 5,246,685,883 | 2,627,690,000 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued expenses | 299,390,984 | 13,901,090 | 79,998,000 |
| Due to external parties | -- | 82,923,145 | -- |
| Interest payable | -- | 74,067,757 | -- |
| Deferred revenue | -- | 1,766,177 | 37,095,000 |
| Other | 51,102,113 | 60,405,575 | 2,240,000 |
| Noncurrent | | | |
| Due within one year | 385,003,323 | 28,681,147 | 56,451,000 |
| Due in more than one year | 4,324,939,040 | 4,537,042,976 | 572,332,000 |
| Total Liabilities | 5,060,435,460 | 4,798,787,867 | 748,116,000 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | -- | (1,662,173,612) | 1,001,582,000 |
| Restricted for: | | | |
| Capital projects | 4,944,877,626 | 868,560,259 | 42,857,000 |
| Debt service | -- | 45,644,171 | 19,515,000 |
| Other purposes | 9,481,104 | 150,300 | 494,721,000 |
| Unrestricted | (217,331,014) | 1,195,716,898 | 320,899,000 |
| Total Net Assets | \$ 4,737,027,716 | \$ 447,898,016 | \$ 1,879,574,000 |

The accompanying notes are an integral part of the financial statements.

| University of Medicine and Dentistry of New Jersey | Non-Major Component Units | Total Component Units |
|---|--|--------------------------------------|
| \$ 56,533,000 | \$ 772,046,639 | \$ 1,135,619,524 |
| 647,391,000 | 4,705,883,197 | 9,800,906,774 |
| 17,675,000 | 30,267,095 | 246,614,190 |
| 29,109,000 | 1,463,999,316 | 1,500,700,316 |
| -- | 2,011,671,077 | 2,011,671,077 |
| 196,591,000 | 1,517,435,080 | 1,839,575,080 |
| -- | 14,382,142 | 36,583,527 |
| 3,800,000 | 1,234,332 | 72,123,747 |
| 81,287,000 | 261,325,498 | 1,156,369,797 |
| 938,538,000 | 3,955,629,570 | 16,576,472,973 |
| 1,970,924,000 | 14,733,873,946 | 34,376,637,005 |
| 220,509,000 | 267,279,392 | 881,078,466 |
| -- | 34,976,818 | 117,899,963 |
| 3,305,000 | 80,823,556 | 158,196,313 |
| 40,484,000 | 76,642,680 | 155,987,857 |
| -- | 445,360,615 | 559,108,303 |
| 58,848,000 | 568,994,512 | 1,097,977,982 |
| 652,784,000 | 8,661,137,035 | 18,748,235,051 |
| 975,930,000 | 10,135,214,608 | 21,718,483,935 |
| 434,475,000 | 1,263,937,292 | 1,037,820,680 |
| 62,497,000 | 85,188,609 | 6,003,980,494 |
| 31,577,000 | 608,806,152 | 705,542,323 |
| 396,483,000 | 1,205,583,914 | 2,106,419,318 |
| 69,962,000 | 1,435,143,371 | 2,804,390,255 |
| \$ 994,994,000 | \$ 4,598,659,338 | \$ 12,658,153,070 |

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | New Jersey Transit Corporation | New Jersey Turnpike Authority | Rutgers, The State University of New Jersey |
|--|---|--|--|
| Expenses | \$ 1,847,827,934 | \$ 709,862,621 | \$ 1,342,242,000 |
| Net (Expense) Revenue and Changes in Net Assets | | | |
| Program Revenues | | | |
| Charges for services | 583,271,928 | 632,824,016 | 499,796,000 |
| Operating grants and contributions | 666,801,940 | 449,111,124 | 482,509,000 |
| Capital grants and contributions | 661,203,976 | -- | 9,029,000 |
| Net (Expense) Revenue | 63,449,910 | 372,072,519 | (350,908,000) |
| General Revenue | | | |
| Payments from State | 193,448,000 | 9,914,794 | 435,347,000 |
| Total General Revenue | 193,448,000 | 9,914,794 | 435,347,000 |
| Change in Net Assets | 256,897,910 | 381,987,313 | 84,439,000 |
| Net Assets - Beginning of Year | 4,480,129,806 | 65,910,703 | 1,795,135,000 |
| Net Assets - End of Year | <u>\$ 4,737,027,716</u> | <u>\$ 447,898,016</u> | <u>\$ 1,879,574,000</u> |

The accompanying notes are an integral part of the financial statements.

| University of Medicine and Dentistry of New Jersey | Non-Major Component Units | Total Component Units |
|---|--|--------------------------------------|
| \$ 1,581,529,000 | \$ 2,361,882,834 | \$ 7,843,344,389 |
| 896,045,000 | 1,194,016,770 | 3,805,953,714 |
| 340,012,000 | 701,711,952 | 2,640,146,016 |
| -- | 357,534,727 | 1,027,767,703 |
| (345,472,000) | (108,619,385) | (369,476,956) |
| 346,069,000 | 785,141,309 | 1,769,920,103 |
| 346,069,000 | 785,141,309 | 1,769,920,103 |
| 597,000 | 676,521,924 | 1,400,443,147 |
| 994,397,000 | 3,922,137,414 | 11,257,709,923 |
| \$ 994,994,000 | \$ 4,598,659,338 | \$ 12,658,153,070 |

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STATE OF NEW JERSEY
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Notes to the Financial Statements

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STATE OF NEW JERSEY

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). In 1999 the GASB issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*. These Statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. The State began implementing these standards for the fiscal year ending June 30, 2002.

Other GASB Statements were also required to be implemented in conjunction with GASB Statements No. 34 and No. 35. Therefore, the State implemented for the fiscal year ending June 30, 2002, Statement No. 37 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, and Statement No. 38 – *Certain Financial Statement Note Disclosures*.

The financial statements have been prepared primarily from accounts and records maintained by the State Comptroller. The financial data for the various public benefit corporations, authorities, commissions, colleges and universities has been derived from reports prepared by those organizations based on their independent accounting systems.

B. Financial Reporting Entity

For financial reporting purposes the State of New Jersey includes all fund types, departments, and agencies of the State, as well as boards, commissions, authorities, colleges and universities, for which the State is financially accountable. The following circumstances set forth the State's financial accountability for a legally separate organization:

1. The State is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State.
2. The State may be financially accountable if an organization is fiscally dependent on the State regardless of whether the organization has (a) a separately elected governing board or (b) a jointly appointed board.

Entities for which the State is financially accountable such as boards, commissions, authorities, colleges and universities are considered component units. These component units are included in the State's reporting entity because of the significance of their operational or financial relationships with the State. Component units are either discretely presented or blended. Discrete presentation entails reporting component unit financial data in columns separate from the financial data of the primary government (the State). Blending requires the component unit's balances and transactions to be reported in a manner similar to the balances and transactions of the State.

The following organizations comprise the State's component units. The Garden State Preservation Trust, the New Jersey Building Authority, the New Jersey Schools Construction Corporation, the Tobacco Settlement Financing Corporation, Inc., and the New Jersey Transportation Trust Fund Authority are blended component units since they provide services entirely, or almost entirely to the State. Additional pertinent information related to them is disclosed in the notes of the primary government. All other component units have been discretely presented. Descriptions of the discretely presented component units and addresses from which complete financial statements of the respective component units can be obtained is detailed in Note 18.

AUTHORITIES

Casino Reinvestment Development Authority
Garden State Preservation Trust
Higher Education Student Assistance Authority
New Jersey Building Authority
New Jersey Commerce and Economic Growth Commission
New Jersey Development Authority for Small Businesses,
Minorities and Women's Enterprises
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority
New Jersey Environmental Infrastructure Trust
New Jersey Health Care Facilities Financing Authority
New Jersey Housing and Mortgage Finance Agency
New Jersey Meadowlands Development Commission
New Jersey Redevelopment Authority
New Jersey Schools Construction Corporation
New Jersey Sports and Exposition Authority
New Jersey Transit Corporation
New Jersey Transportation Trust Fund Authority
New Jersey Turnpike Authority
New Jersey Water Supply Authority
South Jersey Port Corporation
South Jersey Transportation Authority
Tobacco Settlement Financing Corporation, Inc.

COLLEGES AND UNIVERSITIES

The College of New Jersey
Thomas Edison State College
Kean University
Montclair State University
New Jersey City University
New Jersey Institute of Technology
The William Paterson University of New Jersey
Ramapo College of New Jersey
Rowan University
Rutgers, The State University of New Jersey
The Richard Stockton College of New Jersey
University of Medicine and Dentistry of New Jersey

C. Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) report information of all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these government-wide statements. Governmental activities, which normally are supported by taxes and intragovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of net assets measures not just current assets and liabilities, but also long-term assets and liabilities such as capital assets (including infrastructure assets) and general long-term debt. The difference between the State's assets and its liabilities is its net assets. Net assets are displayed in three components - invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the State's policy to use restricted resources first, then unrestricted resources as they are needed.

The statement of activities is presented in a format that reports the net (expense) revenue of the State's individual functions. The net (expense) revenue format reports the relative financial burden of each of the State's functions on its taxpayers. This format identifies the extent to which each function of the government draws from the general revenues of the State or is self-financed through licenses, fees, permits, and other revenues.

Program revenues originate from the program or from parties other than the government's taxpayers or citizens as a whole and reduce the expenses of the function to be financed by general revenues. Categories of program revenues that are separately reported in the statement are charges for services, program specific operating grants and contributions, and program specific capital grants and contributions. Charges for services are revenues from exchange or exchange-like transactions with external parties that purchase, use, or directly benefit from the program's goods, services, or privileges. These revenues include fees charged for specific services, licenses and permits, and operating special assessments, as well as payments from exchange transactions with other governments. Program specific operating and capital grants and contributions are revenues from mandatory and voluntary nonexchange transactions with external parties that are restricted for use in a particular program. All other revenues are general revenues, including all taxes, even if levied for a specific purpose. A special item is a significant transaction or other event within the control of management that is either (1) unusual in nature, or (2) infrequent in occurrence. An extraordinary item is a transaction or other event that is both (1) unusual in nature and (2) infrequent in occurrence.

In the statement of activities, all expenses are reported by function except those that are special or extraordinary items. Each function reports direct expenses – those specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Some functions, such as government direction, management and control, include expenses that are indirect expenses of other functions. The State does not allocate indirect expenses to the other functions.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds, and component units. However, the fiduciary funds are not included in the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The government-wide financial statements report all financial and capital assets (including infrastructure assets), short and long-term liabilities, revenues, expenses, gains, and losses using the economic resources measurement focus and the accrual basis of accounting. Activity and balances resulting from exchange and exchange-like transactions are recognized when the exchange takes place; those resulting from nonexchange transactions are recognized based on the provisions of GASB Statement No. 33.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

In accordance with the modified accrual basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. These revenues which are considered to be susceptible to accrual include amounts received during the twelve month period subsequent to June 30 that were earned as of June 30. Those revenues which are considered to be susceptible to accrual include sales tax, individual income taxes, corporate income taxes, and federal grants. Licenses, fees, permits and other sources are recognized when received since they normally are measurable only at that time. Revenue refunds payable are recorded as other liabilities. Unapplied overpayments of Corporation Business Tax are recorded when a final determination is made as to the ultimate disposition of the overpayments.

Expenditures are recognized when the related fund liabilities are incurred. Expenditures for compensated absences, claims, and judgments are recorded to the extent they would normally be liquidated with available financial resources. Disbursements for prepaid expenses, inventory items, and fixed assets are recorded when expenditures are incurred. Expenditures for principal and interest on general obligation long-term debt are recognized when due.

Proprietary Funds, Fiduciary Funds, and Component Units Financial Statements – The financial statements of the proprietary funds, fiduciary funds, and component units are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements previously described.

Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 unless FASB conflicts with GASB. The State has elected to not apply FASBs issued after the applicable date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The State's largest enterprise funds are the Unemployment Compensation Fund and the State Lottery Fund.

The Unemployment Compensation Fund's principle ongoing operations consist of collecting contributions from employers and employees and the subsequent disbursement of monies to persons entitled to receive unemployment benefits. Collections and disbursements to eligible recipients are classified as operating revenues and expenses. The State Lottery Fund's principle ongoing operations, which are classified as operating revenues and expenses, consist of receipts from lottery ticket sales and subsequent disbursements of monies to lottery winners.

In addition, the State records two other enterprise funds, the Health Benefits Local Government Employers Program Fund and the Prescription Drug Local Government Employers Program Fund. For these funds, the principle ongoing operations, classified as operating revenues and expenditures, consist of member and employer contributions which are used to pay health care and prescription costs on behalf of eligible employees and their dependents.

E. Fund Accounting

The financial activities of the State are recorded in individual funds, each of which is deemed to be a separate accounting entity. The State uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which represent the fund's assets, liabilities, equity, revenues, and expenditures or expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column.

1. Major Funds

The State reports the General Fund and the Property Tax Relief Fund as major governmental funds. The State also reports the State Lottery Fund and the Unemployment Compensation Fund as major enterprise funds. Descriptions are as follows:

- a. General Fund – The fund accounts for all State revenues, not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this fund. The Appropriations Act enacted by the Legislature provides the basic framework for the operations of the General Fund.
- b. Property Tax Relief Fund – This fund accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the fund, pursuant to formulas established by the Legislature, to counties, municipalities, and school districts.
- c. State Lottery Fund – This fund accounts for monies derived from the sale of lottery tickets and the subsequent payment of prizes to holders of winning lottery tickets.

- d. Unemployment Compensation Fund – This fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, and amounts credited or advances made by the Federal government to be used to provide benefits to eligible unemployed workers.

2. Governmental Fund Types

- a. Special Revenue Funds - Are used to account for the proceeds of specific revenue sources (other than special assessments, private-purpose trusts, or major capital projects) that are legally restricted to expenditure for specific purposes such as education, environment and health care.
- b. Debt Service Fund – Accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Amounts provided by the General Fund are deposited with banks that serve as paying agents.
- c. Capital Projects Funds – Account for financial resources, usually general obligation bonds, to be used for the acquisition or construction of major capital facilities for State use such as mental health, educational and correctional facilities, and public transportation projects. Funds granted to other units of government are not classified as capital projects funds and are included as expenditures of special revenue funds.

3. Fiduciary Fund Types

- a. Pension (and other employee benefit) Trust Funds – These funds report resources that are required to be held in trust for members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans, and other employee benefit plans, such as the deferred compensation plan.
- b. Investment Trust Fund – This fund reports an investment pool that consolidates monies from municipalities, counties, school districts, and any other public body, corporate or politic.
- c. Private-purpose Trust Funds – These funds report all other trust arrangements for which principal and income benefit individuals, private organizations, or other governments.
- d. Agency Funds – These funds report resources held by the State in a purely custodial capacity. These funds typically involve only the receipt, temporary investment, and remittance of the resources to external parties.

4. Proprietary Fund Types

Enterprise Funds – These funds may be used to report any activity for which a fee is charged to external users for goods and services. Activities are required to be reported as enterprise funds if laws or regulations require that the activity's costs of providing services be recovered with fees and charges, rather than with taxes on similar revenues.

F. Appropriations and Outstanding Debt

The State Constitution provides that the Legislature may not create a debt (where total outstanding debt would exceed one percent of total appropriations for the year) unless such law has been submitted to the people at a general election and approved by a majority of the legally qualified voters. After approval by the electorate, and prior to any bond sale, the Legislature may make appropriations up to the legally authorized amount of such bonds, which enables the State to enter into contracts with vendors.

G. Assets

1. Cash and Cash Equivalents

Deposits encompass the State's cash on deposit with financial institutions and several cash equivalents, including certificates of deposit. All deposits including cash equivalents that are subject to federal or state depository insurance generally are classified as deposits. Only investments with an original maturity of three months or less are considered to be cash equivalents. See Note 3 for details.

2. Investments

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in obligations of the U.S. Treasury, foreign governments, agencies, municipal or political subdivisions of the State, commercial paper, bankers acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes and mortgages, certificates of deposit, repurchase agreements, equity and convertible equity securities, and other common types of investment securities.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund wherein amounts also contributed by other units of government are combined into a large scale investment program. The Pension Trust Funds also participate in a Common Pension Trust Fund pool whereby amounts contributed by the various Pension Trust Funds are combined for the purpose of investment. Participation in the Cash Management Fund investment pool and the Common Pension Trust Fund investment pool by State funds is reflected as investments in the Balance Sheets of the respective funds. Amounts contributed to the Cash Management Fund investment pool by local governments and other entities which are not part of the State's reporting entity, are reflected as investments in the Balance Sheet of the State of New Jersey Cash Management Fund-External Portion.

Amounts contributed to the Cash Management Fund investment pool are recorded at cost, which approximates fair value. Any differences between cost and fair value for Cash Management Fund pool investments are immaterial. Other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. See Note 4 for additional details.

3. Receivables

Receivables in the State's governmental, fiduciary, and proprietary funds, Component Units - Authorities, and Component Units - College and University Funds are stated net of allowances for uncollectable amounts and primarily consist of federal revenues, taxes, loans, interest, contributions due from employers and members to the respective pension funds, mortgages, and other receivables. See Note 5 for details.

4. Capital Assets

Capital assets are tangible and intangible assets that are used in operations and that have initial useful lives that extend beyond a single reporting period. Capital assets are reported in the statement of net assets at cost or historical cost based on appraisals or other acceptable methods when historical cost information is not available. Donated fixed assets are recorded at estimated fair value at the time of donation. The State's capital assets consist of:

- a. All land, including parks and forests.
- b. Infrastructure assets such as roads, bridges, dams, highway lands, and rights-of-way.
- c. All general government buildings, including hospitals, care, and correctional facilities.
- d. Land improvements, machinery and equipment, and motor vehicles used in general operations, with unit costs above \$25,000, \$20,000, and \$30,000 respectively.
- e. Capital projects in the process of construction.

To measure depreciation expense, the State used the straight-line method, whereby the historical cost (or other capitalized amount) of depreciable assets, less their estimated salvage values, is allocated in equal annual amounts over the estimated useful lives of the assets. To estimate the useful lives of its capital assets, the State uses guidelines from industry organizations. There is no depreciation recorded for land, construction in progress, and rights-of-way.

Capital leases which are classified as capital assets are recorded in amounts equal to the lesser of the fair value of the asset or the present value of the future net minimum lease payments at the inception of the lease.

The State does not capitalize works of art, historical treasures, and similar assets. Capital assets utilized in the governmental funds are recorded as expenditures in the governmental fund financial statements.

5. Interfund/Intrafund Transactions

Interfund Transactions - During the course of normal operations, the State has numerous routine transactions between funds, including expenditures, and transfers of resources to provide administrative services, program services, debt service, and compliance with legal mandates, such as legislation requiring the transfer of investment earnings from a capital project fund to the General Fund. In the fund financial statements, these transactions generally are recorded as transfers to/transfers from other funds and due to/due from other funds. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursement of expenses.

Intrafund Transactions - Intrafund transactions, as a result of contracts among departments within the same fund, are considered expenditures by the contractor and revenues by the contractee in the fund financial statements.

As a general rule, intrafund revenues and expenditures, interfund transfers, and interfund receivables and payables have been eliminated in the government-wide financial statements. An exception is the net residual amounts due between governmental and business-type activities, which is recorded as internal balances. Receivables from and payables to fiduciary funds are recorded in the statement of net assets as receivable from and payable to external parties.

H. Liabilities

1. Deferred Revenue

Deferred revenues at the fund level arise when potential revenue does not meet the available criterion for recognition in the current period. Deferred revenues also arise when resources are received by the State before it has a legal claim. In subsequent periods, when the revenue recognition criterion is met, or when the State has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Deferred revenues at the government-wide level arise only when the State receives resources before it has a legal claim to these resources.

Deferred revenue in the General Fund, at both levels, consists principally of amounts due from the Port Authority of New York and New Jersey and food stamp inventory (in accordance with the provisions of GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*).

2. Deferred Compensation

The State offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, which is administered by the Department of the Treasury, Division of Pensions and Benefits, permits participants to defer a portion of their salary until future years. Amounts deferred under the Plan are not available to employees until termination, retirement, death, or an unforeseeable emergency.

Under current Internal Revenue Service regulations, all monies that are deferred and any other assets or income of the Plan shall be held in trust for the exclusive benefit of the participating employees and their beneficiaries. The State has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor.

The State's Employees' Deferred Compensation Plan is reported as a pension (and other employee benefits) trust fund in the fund financial statements. The Plan is fiduciary in nature, and thus is not reported in the government-wide financial statements.

3. Accumulated Unpaid Sick and Vacation Benefits

Cash payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on fifty percent of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of \$15,000. Employees separating from State service prior to retirement are not entitled to payments for accumulated sick leave balances. Cash payments for sick leave at retirement

are made from annual legislative appropriations on a “pay-as-you-go” basis. Sick leave accumulations may also be used by an employee for a personal illness or injury as a means of continuing regular pay.

Employees annually earn 12 to 25 vacation days based on years of service and are permitted to carry over those days earned within a one-year period. The liability for accumulated employee sick leave and for accumulated vacation pay is reflected in the government-wide financial statements and the proprietary fund financial statements as noncurrent liabilities.

4. Other Long-term Obligations

In addition to accumulated unpaid sick and vacation benefits, other long-term obligations include general obligation bonds, revenue bonds, capital leases, installment obligations, certificates of participation, loans payable, and other liabilities of a long-term nature. The liability for long-term items described above is reflected in the government-wide financial statements and the proprietary fund financial statements as noncurrent liabilities, due in more than one year.

Bond and note premiums and discounts are amortized to interest expense based on the straight-line method. Bonds and notes payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges in other assets and are amortized over the term of the related debt.

In the governmental fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

I. Net Assets

1. Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted - Net assets are reported as restricted when constraints placed on net asset use are either: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of the other governments, or (2) imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted - Unrestricted net assets consist of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”
4. Held in Trust for Pension Benefits and Other Purposes - Used to accumulate all active member, State, and other employer contributions and investment income from which all benefit payments are made; also used to accumulate resources received as a result of trust arrangements or to accumulate resources held for investment.

J. Fund Balances

1. Reserved Encumbrances - Used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.
2. Reserved Other - Used to earmark a portion of the fund balance to indicate it is either a resource currently unavailable for appropriation or expenditure, or a statutory restriction on current fund balance.
3. Unreserved - General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds - Represents the following:
 - a. Unreserved Designated - Continuing Appropriations - Used to represent that portion of fund balance which has been appropriated by the Legislature, as well as those portions of fund balance of non-budgeted governmental funds so designated by management.
 - b. Unreserved Designated - Unrealized Gains - Used to represent the portion of fund balance that resulted from the fair value reporting of investments, i.e., the difference between investments reported at fair value and the amortized cost of those investments.

- c. Unreserved Undesignated – Used to represent that portion of fund balance resources available for appropriation.

K. Fiscal Year End Differences

The following component units have fiscal years that ended on December 31, 2003:

Special Revenue Funds

New Jersey Building Authority (blended component unit)
New Jersey Schools Construction Corporation (blended component unit)

Component Units - Authorities

Casino Reinvestment Development Authority
New Jersey Development Authority for Small Businesses, Minorities
and Women's Enterprises
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority
New Jersey Health Care Facilities Financing Authority
New Jersey Meadowlands Development Commission
New Jersey Redevelopment Authority
New Jersey Sports and Exposition Authority
New Jersey Turnpike Authority
South Jersey Port Corporation
South Jersey Transportation Authority

NOTE 2 - OTHER ACCOUNTING DISCLOSURES

A. Change in Accounting Policy

The State has adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. In addition, the State has adopted GASB Technical Bulletin 2004-1, *Tobacco Settlement Recognition and Financial Reporting Entity Issues*.

B. Reclassifications

The Tobacco Settlement Fund has been reclassified from a major governmental fund to a special revenue, non-major governmental fund. Balances in this fund no longer meet the criteria for the classification as a major fund.

In accordance with GASB Technical Bulletin 2004-1, *Tobacco Settlement Recognition and Financial Reporting Entity Issues*, the Tobacco Settlement Financing Corporation, Inc. (TSFC) has been reclassified from a discretely presented component unit to a blended component unit. As a blended component unit, the TSFC is reported as a special revenue, non-major governmental fund.

C. Restatement of Fund Balance

As mentioned above, the Tobacco Settlement Financing Corporation, Inc. has been reclassified from a discretely presented component unit which was reported using the economic resources measurement focus and the accrual basis of accounting, to a blended component unit which is reported using the current financial resources measurement focus and the modified accrual basis of accounting. This change in measurement focus and basis of accounting resulted in an increase in the opening fund balance of \$491.8 million.

The opening fund balance of the Motor Vehicle Commission Fund (a capital projects fund) has been increased by \$158.1 million. This fund had financial activity in prior years which was not properly recorded in the State's financial system. The restated opening fund balance represents the accumulated balance of prior years' activity.

The opening fund balance of the Housing Assistance Fund (a special revenue fund) has been reduced by \$0.3 million to reflect corrections of prior years' loan balances.

D. Restatement of Net Asset Balance

Restatements of various fund balances in the governmental funds also resulted in changes to the opening net asset balance. The reclassification of the Tobacco Settlement Financing Corporation, Inc. from a discretely presented component unit to a blended component unit, resulted in a decrease in the opening net asset balance of \$2.8 billion. Adjustments to the opening fund balances of the Motor Vehicle Commission Fund and the Housing Assistance Fund resulted in a net increase in the opening net asset balance of \$157.8 million.

In addition, the opening net asset balance was increased by \$679.1 million as a result of the adjustment of deferred revenue items recorded in prior years, and was reduced by \$99.6 million to reflect corrections of prior year capital lease balances.

E. Deficit Fund Balances

It is anticipated that bond sales during Fiscal Year 2005 will relieve the current deficit fund balances in the Cultural Centers and Historic Preservation Fund and the New Jersey Transportation Trust Fund Authority.

In addition, a deficit fund balance exists in the Korean Veterans' Memorial Fund (\$1.0 million). It is anticipated that private and public charitable donations in future years will relieve the deficit in the Korean Veterans' Memorial Fund.

F. Joint Ventures

**The Port Authority of New York and New Jersey
225 Park Avenue South
New York, NY 10003-1604**

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose such as contracting and maintaining an interstate bridge. Pursuant to current financial reporting standards, the State does not record its equity in joint ventures. The only significant joint venture in which the State of New Jersey participates is the Port Authority of New York and New Jersey. Individually published financial statements may be obtained by writing the Port Authority of New York and New Jersey at the above mentioned address. Other joint ventures are immaterial.

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey created by compact between the two states in 1921 with the consent of the Congress of the United States. It is authorized and directed to plan, develop, and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation, economic development, and world trade that contribute to promoting and protecting the commerce and economy of the Port District, defined in the compact, which comprises an area of about 1,500 square miles in both states, centering about New York Harbor. The Governor of each State appoints six of the twelve members of the governing Board of Commissioners, subject to confirmation by the respective State Senate. Each Governor has from time to time exercised the statutory power to veto the actions of the commissioners from their state.

The commissioners serve six-year overlapping terms as public officials without compensation. They establish Authority policy, appoint an Executive Director to implement it, and also appoint a General Counsel to act as legal advisor to the Board and to the Executive Director. The Authority undertakes only those projects authorized by the two states.

The compact envisions the Port Authority as being financially self-sustaining and, as such, it must obtain the funds necessary for the construction or acquisition of facilities upon the basis of its own credit, its reserve funds, and its future revenues. The agency has neither the power to pledge the credit of either state or any municipality nor to levy taxes or assessments.

Consolidated financial statements for the Port Authority including the Passenger Facility Charges Program for the fiscal year ended December 31, 2003 disclosed the following (expressed in millions):

| Financial Position | |
|--|------------------------------|
| | <u>Combined Total</u> |
| Total Assets | \$ 18,879.3 |
| Total Liabilities | <u>12,077.0</u> |
| Net Assets | <u><u>\$ 6,802.3</u></u> |
| Operating Results | |
| Operating Revenues | \$ 2,873.2 |
| Operating Expenses | (1,919.3) |
| Depreciation and Amortization | (521.1) |
| Net Recoverables (Expenses) Related to the Events of September 11, 2001 | <u>664.2</u> |
| Income from Operations | 1,097.0 |
| Non-operating Revenues (Expense), Net | <u>(214.0)</u> |
| Net Income | <u><u>\$ 883.0</u></u> |
| Changes in Net Assets | |
| Balance January 1, 2003 | \$ 5,919.3 |
| Net Income | <u>883.0</u> |
| Balance December 31, 2003 | <u><u>\$ 6,802.3</u></u> |

Except for Special Project Bonds, the Authority's debt is secured by its full faith and credit, its reserve funds, or a pledge of future revenues. Special Project Bonds are secured by a mortgage on the financed properties. At December 31, 2003, Port Authority debt consisted of the following (expressed in millions):

| Bonds, Notes and Other Obligations | |
|---|--------------------------|
| Consolidated Bonds and Notes | \$ 7,053.3 |
| Special Project Bonds | 1,420.2 |
| Operating Asset Financing | 485.1 |
| Capital Asset Financing | <u>953.7</u> |
| | 9,912.3 |
| Less: Unamortized Discount and Premium | <u>(156.2)</u> |
| Total | <u><u>\$ 9,756.1</u></u> |

G. Other

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, the debt and assets of the New Jersey Building Authority have been reduced for presentation herein in the amount of \$706.7 million, the amount of the present value of future lease payments by the State to the New Jersey Building Authority as of December 31, 2003.

In accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, an additional \$376.1 million in federal grant revenues and economic planning, development, and security expenditures and \$0.7 million in other assets and deferred revenues relating to the State's food stamp program have been recorded.

NOTE 3 - CASH AND CASH EQUIVALENTS

All funds maintain their own individual bank account(s) except for the Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation, and Property Tax Relief Funds which are in the General Fund bank accounts. The balances of cash for these funds held in the General Fund, after receipt and disbursement transactions, are accounted for and reflected in the respective due from or due to accounts on the balance sheet presented in the fund financial statements.

New Jersey Revised Statutes (52:18-16.1) set the policy that the State Treasurer must follow when depositing State funds and for the collateralization of such funds. The relationship between the face amount of the collateral and the amount of a deposit is not statutory but is stipulated by the State Treasurer. All bank accounts in which the State Treasurer deposits funds must be collateralized. Securities pledged as collateral must consist of obligations of, or be guaranteed by, the United States or the State of New Jersey. Securities are pledged in the State Treasurer's name and held by a custodian bank under a custodian agreement.

Collateral requirements for demand accounts and time accounts for banks having less than \$15 million in State deposits per month require 100 percent coverage of the highest daily balance of the preceding month. For banks that have State deposits which total \$15 million or more per month, the amount of collateral required is 120 percent of the total average daily balance on deposit in the bank during each calendar quarter of the year. The State Department of the Treasury monitors the level of collateral required to be maintained by the banks.

The GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, requires the bank balances of deposits to be categorized to indicate the level of risk assumed by the entity. Category 1 consists of deposits that are insured or collateralized with securities held by the entity or by its agent in the entity's name. Category 2 consists of deposits collateralized with securities held by the pledging financial institutions trust department or agent in the entity's name. Category 3 consists of deposits which are uncollateralized.

Cash and cash equivalents are categorized below for all funds excluding discretely presented component units (expressed in millions).

| | Category 1 | Category 2 | Category 3 | Total Bank Balance | Total Carrying Amount |
|--|-------------------|-------------------|-------------------|-----------------------------------|--------------------------------------|
| Cash | \$ 205.4 | \$ -- | \$ 152.8 | \$ 358.2 | \$ 395.3 |
| Certificates of deposit and related items | -- | -- | 1,415.5 | 1,415.5 | 1,415.5 |
| Totals | \$ 205.4 | \$ -- | \$ 1,568.3 | \$ 1,773.7 | \$ 1,810.8 |

Negative book balances representing a managed overdraft have been reclassified as accounts payable. Carrying amount balances and negative book balances for all fund types excluding discretely presented component units are reported on the Government-wide Statement of Net Assets and Statement of Fiduciary Net Assets as follows (expressed in millions):

| | Total Carrying Amount | Negative Book Balances |
|--------------------------|--------------------------------------|---------------------------------------|
| Governmental activities | \$ 383.9 | \$ 387.2 |
| Business-type activities | 1.9 | 61.7 |
| Fiduciary funds | <u>1,425.0</u> | <u>9.9</u> |
| Total | <u>\$ 1,810.8</u> | <u>\$ 458.8</u> |

NOTE 4 - INVESTMENTS

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in obligations of the U.S. Treasury, foreign governments, agencies, municipal or political subdivisions of the State, commercial paper, bankers acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes and mortgages, certificates of deposit, repurchase agreements, equity and convertible equity securities, and other common types of investment securities. Investee institutions and organizations are prescribed by the statutes and regulations based on such criteria as minimum capital, dividend paying history, credit history, and other evaluation factors.

The purchase, sale, receipt of income, and other transactions affecting investments are governed by custodial agreements between the investing funds through the State Treasurer and custodian banks as agents for the funds. State laws and policies set forth the requirements of such agreements and other particulars as to the size of the custodial institution, amount of the portfolio to be covered by the agreements, and other pertinent matters.

Federal securities, including those held as collateral on repurchase agreements, are maintained at Federal Reserve Banks in Philadelphia and New York through the custodian banks, in trust for the State of New Jersey. A significant portion of corporate equity and debt securities are maintained by the Depository Trust Company (DTC) through the custodian banks in trust for the State of New Jersey.

Securities not maintained by the Federal Reserve Banks or DTC are in the name of a designated nominee representing the securities of a particular State fund which establishes the State fund's unconditional right to the securities. The custodian banks, as agents for the State funds, maintain internal accounting records identifying the securities maintained by the Federal Reserve Banks and the DTC as securities owned by or pledged to the State funds.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund wherein amounts also contributed by other units of government are combined into a large scale investment program. The Pension Trust Funds also participate in a Common Pension Trust Fund pool whereby amounts contributed by the various Pension Trust Funds are combined for the purpose of investment. Participation in the Cash Management Fund investment pool and the Common Pension Trust Fund investment pool by State funds is reflected as investments in the Balance Sheets of the respective funds. Amounts contributed to the Cash Management Fund investment pool by local governments and other entities which are not part of the State's reporting entity, are primarily reflected as investments in the Statement of Fiduciary Net Assets, Investment Trust Fund.

Amounts contributed to the Cash Management Fund investment pool are recorded at cost, which approximates fair value. Any differences between cost and fair value for Cash Management Fund pool investments are immaterial. All other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund and the Common Pension Funds. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation, and Property Tax Relief Funds do not maintain separate investment accounts. Since cash transactions are handled by and through the General Fund as described in Note 3, any available cash balances for these funds reside in the General Fund and are combined with other balances for either participation in the State of New Jersey Cash Management Fund or direct investment as part of the General Fund large scale investment program. Except for the Casino Revenue Fund and the Casino Control Fund, investment earnings for these funds accrue to the General Fund.

Approximately \$1.0 billion of investments represents deposit fund contracts for future installment payments of lottery prizes due beyond one year from the balance sheet date. Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Purchases of deposit fund contracts are recorded as an expenditure in the State Lottery Fund in the year of purchase. Annuity contracts are carried at their current contract values which are based upon their original purchase price adjusted for credited interest and amounts already received. The estimated fair value of annuity contracts approximates the carrying value reflected in the balance sheet. In the event of default in making future payments by the insurance company from which the contracts were purchased, the State Lottery Commission would be liable for such future payments. The projected future costs of installment prize obligations amount to \$1.4 billion which are due in installments ranging from ten years to the lifetime of the recipient.

The Governmental Accounting Standards Board Statement 3 requires investments be categorized to indicate the level of risk assumed by the entity. Category 1 consists of investments that are insured or registered or for which the securities are held by the entity or its agent in the entity's name. Category 2 consists of uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the entity's name. Investments for all funds are classified as Category 1 and are detailed as follows (expressed in millions):

| | Amount Reported As Investments |
|--|---|
| Collateralized notes and mortgages | \$ 3,900.2 |
| Common stock | 34,724.0 |
| Finance companies - senior debt | 2,582.9 |
| Foreign government bonds and notes | 2,448.0 |
| Foreign stock | 11,046.9 |
| Gas, electric, and water bonds | 732.9 |
| Government bonds and obligations | 9,616.9 |
| Industrial bonds and commercial paper | 12,632.8 |
| Preferred stock | 4.6 |
| Repurchase agreements | 57.2 |
| Telephone bonds | 405.6 |
| Investments subject to risk categorization | 78,152.0 |
| Annuity contracts | 972.3 |
| Miscellaneous | 25.8 |
| Mutual funds | 8.7 |
| Total | \$ 79,158.8 |

As Reported on the Government-wide Statement of Net Assets and Statement of Fiduciary Net Assets:

| | Current Investments | Non-Current Investments | Total |
|--------------------------|--------------------------------|------------------------------------|--------------------|
| Governmental activities | \$ 4,962.2 | \$ -- | \$ 4,962.2 |
| Business-type activities | 667.7 | 821.6 | 1,489.3 |
| Fiduciary funds | 72,707.3 | -- | 72,707.3 |
| | \$ 78,337.2 | \$ 821.6 | \$ 79,158.8 |

NOTE 5 - RECEIVABLES

Fiduciary funds' receivables are not disclosed in the statement of net assets. However, these receivables are disclosed in the fund financial statements and consists primarily of amounts due from employers and employees and accrued earnings on investments. Receivables presented in the statement of net assets are described below.

A. Federal

Federal government grant awards are established against State appropriations. Most Federal government receivables are comprised of amounts expended against grant awards, the expenditure of which is the basis of reimbursement. Since all amounts due from the Federal government are considered to be collectible, no allowance has been established for doubtful collections. Also see Note 19 - Contingent Liabilities.

These Federal receivables are reported in conformance with generally accepted accounting principles as defined in Statement No. 2 - *Grant, Entitlement and Shared Revenue Accounting and Reporting by State and Local Governments* published by the National Council on Governmental Accounting. Inasmuch as encumbrances do not constitute expenditures, and since recognition of grants and entitlements as revenue is primarily based on expenditures, there is an additional \$2.8 billion of Federal government awards consisting of encumbrances and appropriation balances which are considered unearned and unrecorded as of June 30, 2004.

Federal receivable balances in the Unemployment Compensation Fund (\$1.1 billion) represent unemployment contributions transferred to the Federal Reserve Bank for deposit in the Federal Unemployment Trust Fund. All monies are invested by the Federal Government and interest earnings are credited to the Unemployment Compensation Fund.

B. Departmental

Departmental accounts receivable of \$2.7 billion include amounts which were substantially collected within the one month period subsequent to June 30 and include most major tax revenues. Amounts included in these receivables but not collected within the one month period subsequent to June 30 are deemed to be collectible, and are reflected net of allowances (\$284.3 million).

C. Loans

Loans receivable of \$982.7 million are reduced by allowances of \$13.2 million and include \$878.8 million due from local units of government and other recipients for environmental projects, \$46.8 million loaned for economic development within local units of government, and \$14.4 million loaned for housing and mortgage assistance.

D. Other

Other receivables totaling \$1,683.7 million are reduced by allowances of \$600.2 million and include tax receivables due of \$423.8 million, \$209.2 million due from the Port Authority of New York and New Jersey, \$152.4 million due from trustee holding proceeds of Motor Vehicle Commission bonds, \$122.6 million due from tobacco companies, and contributions due from employers and members to the Health Benefits Local Government Employers Program Fund of \$76.3 million.

NOTE 6 - CAPITAL ASSETS

A summary of capital assets and related accumulated depreciation by category as of June 30, 2004 is as follows (expressed in millions):

| | Balance July 1, 2003 | Additions | Retirements | Balance June 30, 2004 |
|---|---------------------------------|------------------|--------------------|----------------------------------|
| Land | \$ 579.5 | \$ 72.0 | \$ -- | \$ 651.5 |
| Land improvements | 80.5 | 3.5 | -- | 84.0 |
| Buildings and improvements | 2,540.4 | 167.1 | 19.7 | 2,687.8 |
| Machinery and equipment | 298.4 | 19.9 | 13.3 | 305.0 |
| Construction in progress | 189.1 | 217.2 | 57.9 | 348.4 |
| Infrastructure | 15,010.2 | 925.2 | -- | 15,935.4 |
| Total at historical cost | 18,698.1 | 1,404.9 | 90.9 | 20,012.1 |
| Less accumulated depreciation: | | | | |
| Land improvements | 55.6 | 3.4 | -- | 59.0 |
| Buildings and improvements | 1,149.5 | 82.1 | 4.1 | 1,227.5 |
| Machinery and equipment | 203.3 | 23.0 | 2.6 | 223.7 |
| Infrastructure | 4,328.9 | 315.6 | -- | 4,644.5 |
| Total accumulated depreciation | 5,737.3 | 424.1 | 6.7 | 6,154.7 |
| Governmental activities capital assets, net | \$ 12,960.8 | \$ 980.8 | \$ 84.2 | \$ 13,857.4 |

A. Items Not Capitalized and Depreciated

The State possesses certain capital assets that have not been capitalized and depreciated because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Examples of these assets include, but are not limited to, works of art and historical treasures; such as statues; monuments; historical documents; paintings; forts and lighthouses; rare library books; various capitol-related artifacts and furnishings.

B. Depreciation and Useful Lives

Capital assets are depreciated using the straight line method, with one half of the year's depreciation charged in the year of acquisition and in the year of disposal. The State assigned useful lives that were most suitable for the particular assets. Estimated useful lives were assigned as follows:

| Asset | Years |
|---------------------------|--------------|
| Land improvements | 10-25 |
| Building and improvements | 12-45 |
| Machinery and equipment | 5-15 |
| Infrastructure | 8-70 |

Depreciation was charged to functions of the primary government as follows (expressed in millions):

| | Amount |
|---|-----------------|
| Public safety and criminal justice | \$ 28.7 |
| Physical and mental health | 8.8 |
| Educational, cultural, and intellectual development | 3.9 |
| Community development and environmental management | 6.0 |
| Economic planning, development, and security | 2.5 |
| Transportation programs | 324.4 |
| Government direction, management, and control | 49.7 |
| Special government services | 0.1 |
| | <u>\$ 424.1</u> |

NOTE 7 - INTERFUND TRANSACTIONS

During the course of normal operations, the State has numerous routine transactions between funds, including interfund loans, expenditures, and transfers of resources to provide administrative services, program services, debt service, and compliance with legal mandates, such as legislation requiring the transfer of investment earnings from a capital project fund to the General Fund. In the fund financial statements, these transactions generally are recorded as transfers in/transfers (out) and due to/due from other funds. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursement of expenses.

A. Due From/Due To Other Funds

The balance of current interfund receivables and payables at June 30, 2004 are presented below (expressed in millions):

| Due To | Due From | | | | | | Total |
|---------------------------------|-----------------|--------------------------|------------------------------|---------------------------------|-----------------------------|-----------------|-------------------|
| | General Fund | Property Tax Relief Fund | Non-Major Governmental Funds | Unemployment Compensation Trust | Non-Major Proprietary Funds | Fiduciary Funds | |
| General Fund | \$ -- | \$ 130.8 | \$ 142.9 | \$ -- | \$ 0.4 | \$ 19.3 | \$ 293.4 |
| Property Tax Relief Fund | 219.3 | -- | 14.6 | 19.9 | -- | -- | 253.8 |
| Non-Major Governmental Funds | 533.3 | 2.8 | 153.1 | 7.9 | -- | -- | 697.1 |
| Unemployment Compensation Trust | 0.1 | 0.9 | 21.0 | -- | -- | -- | 22.0 |
| State Lottery Fund | 94.6 | -- | -- | -- | -- | -- | 94.6 |
| Non-Major Proprietary Funds | 0.3 | -- | -- | -- | 0.5 | -- | 0.8 |
| Fiduciary Funds | 11.2 | 6.2 | -- | -- | -- | 2.5 | 19.9 |
| Total | \$ 858.8 | \$ 140.7 | \$ 331.6 | \$ 27.8 | \$ 0.9 | \$ 21.8 | \$ 1,381.6 |

B. Transfer In/(Out)

Interfund transfers for the fiscal year ended June 30, 2004 are presented below (expressed in millions):

| | General Fund | Property Tax Relief Fund | Non-Major Governmental Funds | State Lottery Fund | Non-Major Proprietary Funds | Total |
|---------------------------------|---------------------|--------------------------------|------------------------------------|--------------------------|-----------------------------------|---------------------|
| Transfers (out) to: | | | | | | |
| General Fund * | \$ -- | \$ -- | \$ (3,398.3) | \$ (815.6) | \$ -- | \$ (4,213.9) |
| Property Tax Relief Fund | -- | -- | -- | -- | -- | -- |
| Non-Major Governmental Funds | (2,038.5) | -- | (1,738.7) | -- | -- | (3,777.2) |
| State Lottery Fund | -- | -- | -- | -- | -- | -- |
| Non-Major Proprietary Funds | (73.5) | (16.1) | -- | -- | -- | (89.6) |
| Fiduciary Funds | -- | -- | -- | -- | -- | -- |
| Total Transfers (Out) | <u>\$ (2,112.0)</u> | <u>\$ (16.1)</u> | <u>\$ (5,137.0)</u> | <u>\$ (815.6)</u> | <u>\$ --</u> | <u>\$ (8,080.7)</u> |
| Transfers in from: | | | | | | |
| General Fund | \$ -- | \$ -- | \$ 2,038.5 | \$ -- | \$ 73.5 | \$ 2,112.0 |
| Property Tax Relief Fund | -- | -- | -- | -- | 16.1 | 16.1 |
| Non-Major Governmental Funds | 2,460.6 | -- | 1,738.7 | -- | -- | 4,199.3 |
| State Lottery Fund | 815.6 | -- | -- | -- | -- | 815.6 |
| Non-Major Proprietary Funds | -- | -- | -- | -- | -- | -- |
| Fiduciary Funds | -- | -- | -- | -- | -- | -- |
| Total Transfers In | <u>\$ 3,276.2</u> | <u>\$ --</u> | <u>\$ 3,777.2</u> | <u>\$ --</u> | <u>\$ 89.6</u> | <u>\$ 7,143.0</u> |
| Net Transfers In (Out) | <u>\$ 1,164.2</u> | <u>\$ (16.1)</u> | <u>\$ (1,359.8)</u> | <u>\$ (815.6)</u> | <u>\$ 89.6</u> | <u>\$ (937.7)</u> |

* Subsequent to the New Jersey Schools Construction Corporation's (a blended component unit) fiscal year ended December 31, 2003, bonds were issued, the proceeds of which were used to support the school construction programs to build and renovate schools. Due to the State having a June 30, 2004 fiscal year end, this transaction has been classified as transfer to the New Jersey Schools Construction Corporation from the General Fund which has created an imbalance within the transfers.

NOTE 8 - SHORT-TERM DEBT

Tax and Revenue Anticipation Notes

The State issues short-term debt instruments in the form of tax and revenue anticipation notes in advance of income tax and corporation business tax collections, depositing the proceeds in the General Fund. These notes are used to provide effective cash management to fund the imbalances that occur between the collection of revenues and the disbursement of appropriations of the General Fund and Property Tax Relief Fund. The \$1.9 billion of borrowings was repaid in full prior to the end of the fiscal year. Short term debt activity for the year ended June 30, 2004 was as follows (expressed in millions):

| | Outstanding July 1, 2003 | Issued | Redeemed | Outstanding June 30, 2004 |
|------------------------------------|-----------------------------|------------|--------------|------------------------------|
| Tax and Revenue Anticipation Notes | \$ -- | \$ 1,900.0 | \$ (1,900.0) | \$ -- |

NOTE 9 – LONG-TERM OBLIGATIONS

A. Changes in Long-term Debt

The following schedule represents the changes in the Long-term Debt (expressed in millions):

| Governmental Activities | Outstanding July 1, 2003 | Additions | Deductions | Outstanding June 30, 2004 | Amounts Due Within One Year |
|---|-----------------------------|-------------------|-------------------|------------------------------|-----------------------------------|
| General obligation bonds | \$ 3,294.2 | \$ 374.4 | \$ 432.5 | \$ 3,236.1 | \$ 274.1 |
| Revenue bonds | 6,231.9 | 1,114.8 | 396.6 | 6,950.1 | 269.7 |
| Accumulated sick and vacation payable | 449.9 | 241.8 | 225.6 | 466.1 | 241.8 |
| Capital leases (1) | 642.3 | 102.7 | 53.5 | 691.5 | 58.7 |
| Installment obligations | 6,341.3 | 1,850.2 | 277.1 | 7,914.4 | 179.4 |
| Certificates of participation | 81.7 | 40.6 | 44.9 | 77.4 | 35.2 |
| Loans payable | 1,279.4 | -- | -- | 1,279.4 | -- |
| Net pension obligation | 115.0 | 246.1 | -- | 361.1 | -- |
| Tobacco securitization bonds (2) | 3,345.1 | -- | 15.7 | 3,329.4 | -- |
| Other | 332.0 | 377.8 | 332.0 | 377.8 | 377.8 |
| Unamortized premium | 365.2 | 165.5 | 32.1 | 498.6 | -- |
| Unamortized deferral on refunding | (211.9) | (30.9) | (19.0) | (223.8) | -- |
| Subtotal Governmental Activities | 22,266.1 | 4,483.0 | 1,791.0 | 24,958.1 | 1,436.7 |
| Business-type Activities | | | | | |
| Accumulated sick and vacation payable | 0.8 | 0.4 | 0.4 | 0.8 | 0.4 |
| Deposit fund contracts | 1,039.0 | 100.1 | 166.8 | 972.3 | 150.7 |
| Subtotal Business-type Activities | 1,039.8 | 100.5 | 167.2 | 973.1 | 151.1 |
| Total Governmental and Business-type | \$ 23,305.9 | \$ 4,583.5 | \$ 1,958.2 | \$ 25,931.2 | \$ 1,587.8 |

(1) July 1, 2003 was restated to include \$99.6 million of capital leases excluded from prior year's balance.

(2) July 1, 2003 was restated to include \$3.3 billion of Tobacco Settlement Financing Corporation bonds in accordance with GASB Technical Bulletin 2004-1.

B. Debt Service Payments

The following schedule represents debt service payments for the next five years and thereafter (expressed in millions):

| <u>Fiscal Year</u> | <u>Long-term Debt</u> | | |
|--------------------------------------|--|--------------------------|--------------------|
| | <u>General Obligation Debt</u> | <u>Revenue Bonds</u> | <u>Total</u> |
| 2005 | \$ 274.1 | \$ 269.7 | \$ 543.8 |
| 2006 | 257.5 | 287.1 | 544.6 |
| 2007 | 254.2 | 337.6 | 591.8 |
| 2008 | 253.3 | 354.0 | 607.3 |
| 2009 | 233.1 | 373.4 | 606.5 |
| 2010-2014 | 1,108.6 | 2,236.1 | 3,344.7 |
| 2015-2019 | 634.4 | 2,173.1 | 2,807.5 |
| 2020-2024 | 220.9 | 855.2 | 1,076.1 |
| 2025-2029 | -- | 63.9 | 63.9 |
| Subtotal | 3,236.1 | 6,950.1 | 10,186.2 |
| Unamortized premium | 108.6 | 276.8 | 385.4 |
| Unamortized deferral on refunding | (62.3) | (152.7) | (215.0) |
| Total | <u>\$ 3,282.4</u> | <u>\$ 7,074.2</u> | <u>\$ 10,356.6</u> |

Total general obligation bonds outstanding as of June 30, 2004 is \$3.2 billion. General obligation bonds are secured by the State's full faith and credit. The amount provided by the General Fund to the Debt Service Fund for interest and principal payments for the fiscal year ended June 30, 2004 was \$438.1 million. This is reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, as a transfer between the General Fund and Non-major Funds (Debt Service Fund).

The State has refunded various general obligation bond issuances by creating separate irrevocable trust funds. Refunding bonds have been issued whereby the proceeds are used to purchase United States Treasury Obligations--State and Local Government Series. The securities are deposited into an irrevocable trust fund, and then held by the trustee. The investments themselves and the fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed as a liability from the State's long-term debt. As of June 30, 2004, the amount of defeased general obligation debt outstanding, but removed from the State's long-term debt amounted to \$853.4 million.

During Fiscal Year 2004, the State advance refunded various general obligation debt by issuing \$159.4 million of general obligation refunding bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 14 years by \$4.9 million. An economic loss of \$2.1 million was realized on the transaction.

The New Jersey Transportation Trust Fund issued \$924.8 million in bonds during fiscal year 2004.

During Fiscal Year 2004, the State advance refunded certain New Jersey Building Authority revenue bonds with a New Jersey Building Authority bond refunding. The New Jersey Building Authority issued \$189.9 million of revenue refunding bonds to provide resources to purchase securities that were placed in escrow for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 19 years by \$8.2 million and to obtain an economic gain of \$9.8 million.

In May 2004, the Garden State Preservation Trust issued Open Space and Farmland Preservation Bonds (Series 2005 A) in the amount of \$500 million. The bonds are considered forward delivery bonds, meaning that the terms and conditions of the bonds were established in May 2004, but the delivery of the bonds will not take place until December 2005. The Series 2005 A bonds are not presented as long term debt outstanding as of June 30, 2004.

During Fiscal Year 2004, the State advance refunded certain New Jersey Economic Development Authority installment obligation bonds with an installment obligation bond refunding. The New Jersey Economic Development Authority issued \$117.3 million of installment obligation refunding bonds to provide resources to purchase securities that were placed in escrow for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 18 years by \$10.4 million and to obtain an economic gain of \$1.5 million.

In addition, the State (the General Fund) has assisted the New Jersey Sports and Exposition Authority with two types of debt. The first involves use of the State's guarantee on certain bonds issued by the New Jersey Sports and Exposition Authority. The State's liability is contingent upon the Authority's inability to meet such debt service requirements through derived revenues. The State believes that the revenue of the Authority will be sufficient to provide for the payment of debt service on these obligations without recourse to the State's guarantee. The amount outstanding on these bonds as of December 31, 2003, is \$38.5 million. The State has never had to make any State guaranteed debt service payments. The second type of debt involves the issuance of State Contract Bonds. The State has contracted with the New Jersey Sports and Exposition Authority to provide annual appropriations to the Authority in amounts sufficient to provide for the debt service on the bonds. As of June 30, 2004, the amount outstanding on New Jersey Sports and Exposition Authority State Contract Bonds was \$657.5 million.

The State may be required to provide appropriations to meet any annual deficiencies in debt service for the South Jersey Port Corporation, the New Jersey Housing and Mortgage Finance Agency, and the Higher Education Student Assistance Authority. However, the State Legislature is not legally bound to make such appropriations for these "moral obligation" bonds. Furthermore, the New Jersey Housing and Mortgage Finance Agency and the Higher Education Student Assistance Authority have not had a deficiency in debt service reserve which required the State to appropriate funds.

The State provides the South Jersey Port Corporation with funds to cover all debt service and property tax requirements when the Corporation's earned revenues are anticipated to be insufficient to cover these obligations. On December 1, 2003, the Corporation certified that it would be unable to provide sufficient funds from operations for debt service and, therefore, required a State appropriation for Fiscal Year 2004 in the amount of \$4.2 million.

C. Capital Lease and Installment Obligations

The State has entered into various lease and installment purchase agreements as a means of acquiring capital assets.

The following is a schedule, by fiscal year, of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2004 (expressed in millions):

| <u>Fiscal Year</u> | <u>Amount</u> |
|---|-----------------|
| 2005 | \$ 100.7 |
| 2006 | 99.4 |
| 2007 | 99.7 |
| 2008 | 99.5 |
| 2009 | 96.5 |
| 2010-2014 | 298.0 |
| 2015-2019 | 119.6 |
| 2020-2024 | 51.8 |
| 2025-2029 | 13.0 |
| Total minimum lease payments | 978.2 |
| Less: Amount representing interest | 286.7 |
| Present value of lease principal payments | <u>\$ 691.5</u> |

Installment obligations represent agreements between the State and several authorities which have issued their obligations to purchase or construct facilities to be rented by the State or to provide financing for other State projects. The State agrees to make payments equal to the debt service of the respective authorities' funds, subject to and dependent upon appropriations being made by the State Legislature for such purchases. At the conclusion of the term of the installment agreements, title to the various facilities is to be transferred to the State. The following is a schedule, by fiscal year, of future installment payments together with the present value of net minimum installment payments, as of June 30, 2004 (expressed in millions) for both installment purchases as well as various other installment obligations of the State:

| <u>Fiscal Year</u> | <u>Amount</u> |
|--|--------------------------|
| 2005 | \$ 517.6 |
| 2006 | 533.8 |
| 2007 | 620.2 |
| 2008 | 635.1 |
| 2009 | 635.5 |
| 2010-2014 | 3,283.6 |
| 2015-2019 | 3,567.6 |
| 2020-2024 | 3,648.9 |
| 2025-2029 | 3,159.2 |
| 2030-2034 | 65.5 |
| | <hr/> |
| Total minimum installment payments | 16,667.0 |
| Less: Amount representing interest | 8,752.6 |
| | <hr/> |
| Subtotal | 7,914.4 |
| Add: Unamortized premium | 113.2 |
| Add: Unamortized deferral on refunding | (8.8) |
| | <hr/> |
| Total principal payments | <u><u>\$ 8,018.8</u></u> |

Those obligations identified as certificates of participation represent a series of master lease agreements with a trustee from the sale of certificates of participation. The State is required to make payments that approximate the principal and interest payments to be made by the trustee to certified holders. The following is a schedule, by fiscal year, of future payments together with the present value of net minimum payments, as of June 30, 2004 (expressed in millions):

| <u>Fiscal Year</u> | <u>Amount</u> |
|--|-----------------------|
| 2005 | \$ 38.0 |
| 2006 | 22.6 |
| 2007 | 15.0 |
| 2008 | 2.2 |
| 2009 | 1.1 |
| 2010-2014 | 5.7 |
| | <hr/> |
| Total minimum certificates of participation payments | 84.6 |
| Less: Amount representing interest | 7.2 |
| | <hr/> |
| Total principal payments | <u><u>\$ 77.4</u></u> |

D. Loans Payable

The New Jersey Automobile Insurance Guaranty Fund has received a loan of \$1.3 billion from the New Jersey Property-Liability Insurance Guaranty Association. Loan repayments are subject to appropriation and will be repaid to the Association when the financial obligations of the Joint Underwriters Association (JUA) have been fully satisfied.

E. Net Pension Obligation

As of June 30, 2004, the net pension obligation (NPO) for the State Police Retirement System, the Consolidated Police and Firemen's Retirement System and the Teachers' Pension and Annuity Fund amounted to \$361.1 million.

F. Tobacco Securitization Bonds

During Fiscal Year 2003, the State established the Tobacco Settlement Financing Corporation, Inc. (TSFC) as a special purpose, local development corporation. The TSFC is an instrumentality of, but separate and apart from, the State. Pursuant to a Purchase and Sale Agreement with the State, the State sold to the TSFC all of its future right, title and interest in the tobacco settlement revenues under the Master Settlement Agreement and Decree of Final Judgment. As of June 30, 2003, the TSFC had issued approximately \$3.46 billion of Tobacco Settlement Asset-Backed Bonds.

During Fiscal Year 2003, the Tobacco Settlement Financing Corporation (TSFC) was presented as a discreet component unit of the State. Effective Fiscal Year 2004, the State adopted GASB Technical Bulletin No. 2004-1, *Tobacco Settlement Recognition and Financial Reporting Issues*. As a result of this, the TSFC is required to be shown as a blended component unit of the State. Bonds issued by the TSFC are the sole obligation of the TSFC. The State is not liable for any debt issued by the TSFC nor is the debt dependent upon any dedicated stream of revenue generated by the State. The balance of bonds payable outstanding, net of unamortized bond discount as of June 30, 2004, is \$3.3 billion.

G. Other

This obligation is claims that represent unmatured long-term indebtedness which is required (NCGA Statement 1) to be reported as general long-term liabilities of the government. This includes health (\$120.6 million), dental (\$5.6 million), and medicaid benefit claims (\$251.6 million of which \$119.7 million is federally reimbursable) which have been incurred but not reported.

H. Proprietary Funds/Business-type Activities

Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Future payment of installment prizes in the amount of \$972.3 million are recorded as noncurrent liabilities in both the fund financial statements and the government-wide statements.

NOTE 10 - RISK MANAGEMENT AND INSURANCE COVERAGE

The State is self-insured and self-administered for tort, workers' compensation, and automobile liability claims. As of June 30, 2004 no liability for unpaid claims has been established since the amount of loss cannot be reasonably estimated, however, any unpaid claims are not expected to be material. Claims are reported as expenditures in the General Fund in the year they are paid. Amounts expended for tort, workers' compensation, and automobile liability claims for Fiscal Year 2004 and Fiscal Year 2003 are detailed below (expressed in millions):

| <u>Type of Claim</u> | <u>Fiscal Year 2004</u> | <u>Fiscal Year 2003</u> |
|-----------------------|-------------------------|-------------------------|
| Tort | \$ 8.1 | \$ 12.0 |
| Workers' compensation | 21.3 | 18.4 |
| Automobile | 3.1 | 3.4 |

Property exposure is handled by a commercial insurance carrier. There were no reductions in commercial insurance coverage during the fiscal year ended June 30, 2004. No settlements exceeded commercial insurance coverage during each of the past three fiscal years. The State does not participate in any risk pools.

The State has obtained a financial guaranty policy insurance commitment to cover potential permanent losses on investments by non-state participants in the State of New Jersey Cash Management Fund-External Portion (Investment Trust Fund). The State is liable for reimbursement to the issuer of the financial guaranty policy insurance commitment for any payments made. This financial guaranty policy insurance commitment expires on December 1, 2012.

NOTE 11 – DERIVATIVES

A. Interest Rate Swap Agreements

The State has obtained long-term financing in the form of voter-approved General Obligation Debt and other obligations for which voter approval is not needed and has not otherwise been sought. Non-voter approved long-term financings include debt obligations such as revenue bonds, certificates of participation, and installment obligations. The State pays debt service on these debt obligations pursuant to a State contract it enters into with the issuer, subject to annual appropriations made by the State Legislature. These debt obligations include, but are not limited to, certain bonds issued through State public authorities such as the New Jersey Building Authority, the New Jersey Economic Development Authority, the New Jersey Sports and Exposition Authority, and the New Jersey Transportation Trust Fund Authority. In connection with certain bonds issued, or anticipated, through these public authorities, the State has entered into Interest Rate Exchange Agreements (Swap Agreements). As of June 30, 2004 the State has 30 active swap agreements with 11 swap providers for a combined notional amount of \$4.4 billion.

B. Interest Rate Swap Agreements – Synthetic Fixed Rate

The State acting through its public authorities entered into 16 swap agreements in connection with the issuance of \$1,219.5 million in variable rate bonds. These bonds, and their associated swap agreements, were part of five separate refunding transactions that produced net present value savings for the State's General Fund. In each case, the State, acting through its public authorities, issued bonds bearing interest at a variable rate and simultaneously entered into one or more swap agreements with various swap providers. Under the terms of the swap agreements, the State will pay a fixed rate on a notional amount of bonds outstanding while the swap counterparty pays a variable rate on the same notional amount which is anticipated to, over time, match the variable interest rate on the bonds. In effect, the State has locked in its interest cost at the fixed rate on the swap agreement, at a lower interest cost than issuing fixed rate bonds. A description of each transaction follows:

| Issuer/Series | Notional Amounts (\$ Millions) | Effective Date | Synthetic Fixed Rate | Variable Rate Received |
|--|---|---------------------------|-------------------------------------|---|
| <u>NJ Sports and Exposition Authority</u> | | | | |
| 1992 Series C | \$ 184.620 | 11/12/92 | 5.860 % | Floating rate on the bonds |
| 2002 Series B-1, B-2 | 120.590 | 1/29/02 | 4.500 | The lesser of the weighted average of the BMA Index or 70% of the 1-Month USD-LIBOR |
| 2002 Series C | 4.465 | 1/29/02 | 6.010 | 100% of 1-Month USD-LIBOR |
| <u>NJ Transportation Trust Fund Authority</u> | | | | |
| 2003 Series B-1 | 85.000 | 1/30/03 | 3.565 | 67% of the weekly USD-LIBOR |
| 2003 Series B-2 | 85.000 | 1/30/03 | 3.537 | 67% of the weekly USD-LIBOR |
| 2003 Series B-3 | 50.000 | 1/30/03 | 3.630 | 67% of the weekly USD-LIBOR |
| 2003 Series B-4 | 62.500 | 1/30/03 | 3.675 | 67% of the weekly USD-LIBOR |
| 2003 Series B-5 | 62.500 | 1/30/03 | 3.675 | 67% of the weekly USD-LIBOR |
| <u>NJ Economic Development Authority</u> | | | | |
| Pension Obligation Bonds, Series 2003 | 75.000 | 8/15/03 | 7.600 | 1-Month USD-LIBOR + 50 Basis Points |
| Pension Obligation Bonds, Series 2003 | 300.000 | 8/15/03 | 7.600 | 1-Month USD-LIBOR + 50 Basis Points |
| <u>NJ Building Authority</u> | | | | |
| Morgan Stanley - 7 Days | 26.590 | 8/20/03 | 3.640 | 62% of 1-Month USD-LIBOR + 20 Basis Points |
| Morgan Stanley - 35 Days | 11.400 | 8/20/03 | 3.640 | 62% of 1-Month USD-LIBOR + 20 Basis Points |
| Citigroup - 7 Days | 79.775 | 8/20/03 | 3.640 | 62% of 1-Month USD-LIBOR + 20 Basis Points |
| Citigroup - 35 Days | 34.095 | 8/20/03 | 3.640 | 62% of 1-Month USD-LIBOR + 20 Basis Points |
| Goldman Sachs - 7 Days | 26.590 | 8/20/03 | 3.640 | 62% of 1-Month USD-LIBOR + 20 Basis Points |
| Goldman Sachs - 35 Days | 11.400 | 8/20/03 | 3.640 | 62% of 1-Month USD-LIBOR + 20 Basis Points |

The bonds and the related swap agreements listed above have final maturities ranging from March 1, 2005 through February 15, 2029. The total notional amount of \$1,219.5 million matches the \$1,219.5 million of variable rate bonds that were issued.

Under the swap agreements with the New Jersey Sports and Exposition Authority, the State through the Authority pays a fixed payment for each individual bond series. Those rates, depending on the individual bond series, range from 4.50 percent to 6.01 percent. Depending on the associated swap agreement, the State receives a variable payment computed as either the floating rate on the bonds, the lesser of the BMA Index, or 70 percent of the one month USD-LIBOR, or 100 percent of the one month USD-LIBOR. The swap provider calculates the rate, as well as the dollar amount that is owed by the swap counterparty. The remarketing agent determines the variable interest rate that is applied to the bonds.

Under the swap agreement with the New Jersey Transportation Trust Fund Authority, the State through the Authority pays a fixed payment for each individual bond series. Those rates, depending on the individual bond series, range from 3.53 percent to 3.68 percent. The State then receives a variable payment computed as 67 percent of the one month LIBOR from the swap counterparty. The swap provider calculates the rate, as well as the dollar amount that is owed by the swap counterparty. The auction agent determines the variable interest rate that is applied to the bonds.

Under the swap agreement with the New Jersey Economic Development Authority, the State through the Authority pays a fixed payment at a rate of 7.60 percent. The State then receives a variable payment computed as the one month LIBOR plus 50 basis points on the same notional amount from the swap counterparty. The swap provider calculates the rate, as well as the dollar amount that is owed by the swap counterparty. The remarketing agent determines the variable interest rate that is applied to the bonds.

Under the swap agreement with the New Jersey Building Authority, the State through the Authority pays a fixed payment at a rate of 3.64 percent. The State then receives a variable payment computed as 62 percent of the one month LIBOR plus 20 basis points on the same notional amount from the swap counterparty. The swap provider calculates the rate, as well as the dollar amount that is owed by the swap counterparty. The auction agent determines the variable interest rate that is applied to the bonds.

C. Interest Rate Swap Agreements – Forward Strategy

The State of New Jersey has entered into 14 swap agreements in association with \$3.2 billion of future bond transactions involving the New Jersey Economic Development Authority's Business Employment Incentive Program and School Construction Program. The purpose of the swap agreements is to take advantage of today's historically low fixed interest rate environment and "lock in" these current rates for bonds that are to be issued in the future. The swap agreements have allowed the State the opportunity to limit its interest rate exposure.

The New Jersey Economic Development Authority's Business Employment Incentive Program has three active swap agreements for a combined notional amount of \$214.8 million. The effective date of the first swap agreement commences on November 1, 2004 and the others become effective every 12 months thereafter through November 1, 2006. Under the terms of the swap agreements, the State pays a fixed interest rate between 4.76 percent and 5.77 percent and receives a variable payment computed as 100 percent of the one month LIBOR plus seven basis points. The total notional amount of \$214.8 million will match the \$214.8 million of variable rate bonds that will be issued. Final maturities on the bonds and their associated swap agreement range from November 1, 2014 through November 1, 2016. The method for determining the variable interest rate on these bonds will be determined by the issuer.

The New Jersey Economic Development Authority's School Construction Program has 11 active swap agreements for a combined notional amount of \$3.0 billion. The effective date of the first Swap Agreement commences on September 1, 2004 and the others become effective every six months thereafter through March 1, 2007. Under the terms of the swap agreements, the State pays a fixed interest rate between 4.06 percent and 4.41 percent and receives a variable payment computed as 75 percent of the one month LIBOR. The total notional amount of \$3.0 billion will match the \$3.0 billion of variable rate bonds that will be issued. Final maturities on the bonds and their associated swap agreements range from September 1, 2009 through March 1, 2032. The method for determining the variable interest rate on these bonds will be determined by the issuer.

A description of each swap agreement is as follows:

New Jersey Economic Development Authority

| Issuer/Series | Notional Amounts (\$ Millions) | Effective Date | Synthetic Fixed Rate | Variable Rate Received |
|--|--------------------------------------|-------------------|----------------------------|--|
| Business Employment Incentive Program | \$ 57.945 | 11/1/04 | 4.76050 % | 100% of 1-Month USD-LIBOR + 7 Basis Points |
| Business Employment Incentive Program | 78.150 | 11/1/05 | 5.36600 | 100% of 1-Month USD-LIBOR + 7 Basis Points |
| Business Employment Incentive Program | 78.700 | 11/1/06 | 5.76500 | 100% of 1-Month USD-LIBOR + 7 Basis Points |
| School Facilities Construction Program | 250.000 | 9/1/04 | 4.06250 | 75% of 1-Month USD-LIBOR |
| School Facilities Construction Program | 250.000 | 9/1/04 | 4.06250 | 75% of 1-Month USD-LIBOR |
| School Facilities Construction Program | 250.000 | 3/1/05 | 4.17625 | 75% of 1-Month USD-LIBOR |
| School Facilities Construction Program | 250.000 | 3/1/05 | 4.17625 | 75% of 1-Month USD-LIBOR |
| School Facilities Construction Program | 250.000 | 9/1/05 | 4.21840 | 75% of 1-Month USD-LIBOR |
| School Facilities Construction Program | 250.000 | 9/1/05 | 4.21840 | 75% of 1-Month USD-LIBOR |
| School Facilities Construction Program | 250.000 | 3/1/06 | 4.29590 | 75% of 1-Month USD-LIBOR |
| School Facilities Construction Program | 250.000 | 3/1/06 | 4.29590 | 75% of 1-Month USD-LIBOR |
| School Facilities Construction Program | 250.000 | 9/1/06 | 4.40740 | 75% of 1-Month USD-LIBOR |
| School Facilities Construction Program | 250.000 | 9/1/06 | 4.40740 | 75% of 1-Month USD-LIBOR |
| School Facilities Construction Program | 500.000 | 3/1/07 | 4.36920 | 75% of 1-Month USD-LIBOR |

D. Interest Rate Swap Agreements - Fair Value

Between November 12, 1992 and June 30, 2004, the State, acting through its public authorities, has entered into 30 swap agreements. During this time, general interest rates have declined since the execution of the swap agreements. As a result, when the swap agreements are marked to market as of June 30, 2004, the State's entire portfolio has a negative net present value of \$99.3 million. A breakdown of this amount is shown below:

| <u>Authority/Issuer</u> | <u>Net Present Value</u> <u>(\$ In Millions)</u> |
|--|---|
| NJ Building Authority | \$ (3.484) |
| NJ Economic Development Authority | |
| Business Employment Incentive Program | 0.242 |
| School Construction Program | 25.476 |
| Pension Obligation Bonds | (75.255) |
| NJ Sports and Exposition Authority | (48.657) |
| NJ Transportation Trust Fund Authority | 2.365 |
| Total | <u><u>\$ (99.313)</u></u> |

The amounts shown above are the amounts that the State would receive or pay to swap counterparties in the event that all the State's swap agreements were terminated. The swap agreements could only be terminated for certain events of default listed in each swap agreement document, including a swap counterparty default. In the event of a swap counterparty default, it is likely that this event would be remedied through the assignment to an alternate swap counterparty.

E. Interest Rate Swap Agreements - Credit Risk

The swap agreement contracts require that each swap counterparty shall have a credit rating from at least one nationally recognized statistical rating agency that is within the two highest investment grade categories. Ratings, which are obtained from any other nationally recognized statistical rating agencies for such swap counterparty shall also be within the three highest investment rated categories, or the payment obligations of the swap counterparty shall also be unconditionally guaranteed by an entity with such credit ratings. The swap agreements also require that should the credit rating of a swap counterparty fall below the rating required, that the obligations of such swap counterparty shall be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America, at the agreed upon collateral threshold levels pursuant to the Credit Support Agreement. The collateral threshold levels are adjusted based on counterparty ratings as set forth in the Credit Support Agreement. Even though some of the mark to market values of the swap agreements have become positive, all of the swap counterparties' ratings have remained in the two highest investment grade categories. Therefore, no collateral posting is required.

F. Interest Rate Swap Agreements - Basis Risk

The swap agreements expose the State to basis risk should the relationship between LIBOR and actual variable rate payments diverge. The effect of this difference in basis is indicated by the difference between the anticipated variable rate and the actual variable rate resulting from future market conditions. As of June 30, 2004 this risk has not occurred.

G. Interest Rate Swap Agreements - Termination Risk

Each swap agreement contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes "additional termination events", providing that the swap agreements may be terminated if either the State's or a swap counterparty's credit quality rating falls below certain levels. The State or the swap counterparties may terminate the swap agreements if the other party fails to perform under the terms of the contract. If one or more of the swap agreements is terminated, the related variable rate bonds would no longer be hedged and the State would no longer be effectively paying a synthetic fixed rate with respect to those bonds. Also, if at the time of termination the swap agreement has a negative fair value, the State would incur a loss and would be required to settle with the swap counterparty at the swap agreement's fair value.

NOTE 12 - OTHER LIABILITIES

Other liabilities presented in the statement of net assets consists principally of revenue refunds payable to taxpayers of \$854.9 million.

NOTE 13 - FUND BALANCES

A. Reserved - Other

In the fund financial statements, reservations of fund balance classified as “reserved - other” consists principally of legally mandated escrow balances and long-term loans and receivables due from individuals, municipalities, and authorities, that are considered not currently available for expenditure in subsequent accounting periods. In addition, balances have been reserved in the following funds for purposes described below.

General Fund

The \$415.2 million reservation in the General Fund that is considered not currently available for appropriations consists principally of monies set aside to pay claimants whose property has been previously escheated to the State (\$250.4 million), monies set aside to pay employee dental, prescription, and health benefits (\$102.4 million), long-term advances, receivables due from individuals, estates, municipalities, railroads and other funds (\$16.0 million), and a portion of bond receipts which is earmarked to pay debt service in the next fiscal year (\$40.5 million).

Fund for Support of Free Public Schools

New Jersey statutes provide for the establishment of a school bond reserve within this fund. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1 ½ percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 1 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations. Accordingly, \$101.5 million has been reserved as of June 30, 2004.

New Jersey Schools Construction Corporation

In this fund, \$39.8 million has been reserved for Qualified Zone Academies.

Tobacco Settlement Financing Corporation, Inc.

The \$371.5 million reservation represents money reserved for future debt service payments on outstanding bonds payable.

B. Unreserved

In the fund financial statements, unreserved consists of: designated for continuing appropriations, designated for debt service, designated for unrealized gains, and undesignated.

General Fund

The \$1.5 billion unreserved balance consists of \$1,105.4 million designated for continuing appropriations, \$9.6 million designated for unrealized gains, and \$376.5 million undesignated.

Property Tax Relief Fund

The \$181.0 million unreserved balance consists of \$5.8 million designated for continuing appropriations and \$175.2 million undesignated.

NOTE 14 – OTHER FINANCING SOURCES/USES-OTHER

The following items were recorded as other financing sources (uses) –other in the fund financial statements (expressed in millions):

| | General Fund | Non-Major Funds |
|---|-------------------------|----------------------------|
| Installment obligations issued | \$ 1,850.2 | \$ -- |
| Refunding bonds issued | 159.4 | 190.0 |
| Capital lease acquisitions | 102.7 | -- |
| Premium related to revenue bonds | -- | 70.3 |
| Premium related to installment obligations | 70.9 | -- |
| Certificates of participation issued | 40.7 | -- |
| Premium related to general obligation bonds | -- | 6.7 |
| Payment to escrow agent on refunding bonds | (276.7) | (190.0) |
| Other Financing Sources (Uses) - Other | \$ 1,947.2 | \$ 77.0 |

NOTE 15 – OPERATING LEASES

The State of New Jersey has commitments to lease certain buildings and equipment under arrangements representing operating leases. Future minimum rental commitments for noncancelable operating leases as of June 30, 2004 are as follows (expressed in millions):

| <u>Fiscal Year</u> | <u>Amount</u> |
|--|----------------------|
| 2005 | \$ 27.9 |
| 2006 | 21.8 |
| 2007 | 17.5 |
| 2008 | 14.7 |
| 2009 | 11.7 |
| 2010-2013 | 14.7 |
| Total Future Minimum Lease Payments | \$ 108.3 |

NOTE 16 – RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees:

Consolidated Police and Firemen's Pension Fund (CPFPF)--established in January 1952, under the provisions of N.J.S.A. 43:16 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members.

Judicial Retirement System (JRS)--established in June 1973, under the provisions of N.J.S.A. 43:6A to provide coverage to all members of the State judiciary system. Membership is mandatory for such employees with vesting after 5 years of successive service as a judge and 10 years in the aggregate of public service.

Police and Firemen's Retirement System (PFRS)--established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

Prison Officers' Pension Fund (POPF)--established in January 1941, under the provisions of N.J.S.A. 43:7 to provide coverage to various employees of the State penal institutions who were appointed prior to January 1, 1960. The fund is a closed system with no active members. New employees of the State penal institutions are enrolled in the Police and Firemen's Retirement System.

Public Employees' Retirement System (PERS)--established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

State Police Retirement System (SPRS)--established in July 1965, under the provisions of N.J.S.A. 53:5A to provide coverage to all uniformed officers and troopers of the State Police in the State. Membership is mandatory and vesting occurs after 10 years of membership.

Teachers' Pension and Annuity Fund (TPAF)--established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The State also administers the Central Pension Fund (CPF) which is a single-employer noncontributory defined benefit plan for special groups which are not included in other State-administered systems. There are no employees covered by CPF.

The State also administers the Pensions Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which are the CPFPF, POPF, and CPF. This benefit is funded by the State as benefit allowances become payable.

The cost of living increase for PFRS, PERS, TPAF, SPRS, and JRS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Basis of Accounting

The financial statements of the Funds are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the Funds. Benefits or refunds are recognized when due and payable in accordance with the terms of the Funds.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, and Common Pension Fund D. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Significant Legislation

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent. The law provides that local employers' PFRS normal and accrued liability contributions shall be as follows: for payments due in the State fiscal year ending June 30, 2004; 20 percent; for payments due in the State fiscal year ending June 30, 2005; not more than 40 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2007, not more than 80 percent.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under TPAF, PERS, or PFRS, effective July 12, 2002.

Chapter 54, P.L. 2002 allows members of the JRS to elect to receive a reduced retirement allowance in order to provide a benefit to a named beneficiary, effective September 2, 2003. The five optional settlements in this law are the same as the ones available to members of Public Employees' Retirement System and Teachers' Pension Annuity Fund.

Chapter 23, Public Law of 2002 provides early retirement incentive benefits to State employees enrolled in the PERS and TPAF who meet specified age and service requirements and who retire within a specified time period that generally extends from February 1, 2002 to July 1, 2002. The incentive benefits include an additional three years of service credit to employees who are at least 50 years of age with at least 25 years of service credit; State paid health care benefits to employees who are at least 60 years of age with a at least 20 but less than 25 years of service credit; an additional monthly benefit of \$500 per month for 24 months following the date of retirement to employees who are at least 60 years of age with at least 10, but not more than 20 years of service credit; and an additional pension benefit of 3/55 of the compensation upon which the retirement benefit is based to employees who are at least 55 years of age with 25 or more years of service credit and who retire on a veteran's retirement.

Due to the enactment of 1997 legislation, Chapter 114, P.L. 1997 and Chapter 115, P.L. 1997, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated. In addition, excess

valuation assets have been available to fund, in full or in part, the State of New Jersey's normal contribution from 1997 to 2003, excluding the contribution for post-retirement medical benefits in the PERS and TPAF.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on percentages ranging from 3.00 percent to 8.50 percent of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT, CPF, and PAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the JRS, PFRS, PERS, SPRS, and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2004 for CPFPF and TPAF, which are cost sharing plans with special funding situations, and for JRS, POPF, and SPRS, which are single employer plans, annual pension cost equals annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

The annual pension cost for the fiscal year ending June 30, 2004 and related information, including a summary of the significant actuarial methods and assumptions used by the Funds, are presented on the following pages. Note that the assumption regarding post-retirement benefit increases has not been disclosed because post-retirement health care benefits are currently being funded on a modified pay-as-you-go basis and not on an actuarial reserve basis.

| | | CPFPF | JRS | PFRS |
|--|-----------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Annual Pension Cost (APC) | | | | |
| State: | 06/30/02 | \$ 2,670,718 | \$ 13,093,605 | \$ -- |
| | 06/30/03 | 3,506,122 | 14,982,569 | -- |
| | 06/30/04 | 4,494,183 | 17,080,677 | 22,215,429 |
| Local: | 06/30/02 | -- | -- | 185,415 |
| | 06/30/03 | -- | -- | 364,850 |
| | 06/30/04 | -- | -- | 53,396,685 |
| Contributions Made | | | | |
| State: | 06/30/02 | 506,541 | -- | -- |
| | 06/30/03 | 2,713,914 | 8,467,287 | -- |
| | 06/30/04 | 1,950,425 | 16,777,190 | 22,215,439 |
| Local: | 06/30/02 | -- | -- | 185,415 |
| | 06/30/03 | -- | -- | 364,850 |
| | 06/30/04 | -- | -- | 53,396,685 |
| Percentage of APC Contributed | | | | |
| State: | 06/30/02 | 19.0% | 0.0% | 100.0% |
| | 06/30/03 | 77.4% | 56.5% | 100.0% |
| | 06/30/04 | 43.4% | 98.2% | 100.0% |
| Local: | 06/30/02 | -- | -- | 100.0% |
| | 06/30/03 | -- | -- | 100.0% |
| | 06/30/04 | -- | -- | 100.0% |
| Net Pension Obligation | | | | |
| State: | 06/30/02 | 44,323 | (52,171,192) | -- |
| | 06/30/03 | 836,531 | (45,655,910) | -- |
| | 06/30/04 | 3,380,289 | (45,352,422) | -- |
| Local: | 06/30/02 | -- | -- | -- |
| | 06/30/03 | -- | -- | -- |
| | 06/30/04 | -- | -- | -- |
| Contribution rates | | | | |
| State | | N/A | 25.9% | 5.6% |
| State-related employers | | N/A | N/A | 2.5% |
| Employees | | N/A | 3.0% | 8.5% |
| Significant Actuarial Assumptions and Methods | | | | |
| Date of actuarial valuation | | 6/30/03 | 6/30/03 | 6/30/03 |
| Actuarial cost method | | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit |
| Amortization method | | Level Dollar Closed | Level Dollar Closed | Level Percent Closed |
| Remaining amortization period | | 1 year | 30 years | 30 years |
| Asset valuation method | | Five Year Average of Market Value | Five Year Average of Market Value | Five Year Average of Market Value |
| Actuarial assumptions | | | | |
| Investment rate of return | | 2.00% | 8.75% | 8.75% |
| Projected salary increases | | N/A | 5.95% | 5.95% |
| Cost-of-Living adjustments | | N/A | 2.40% | 2.40% |

| | | POPF | PERS | SPRS | TPAF |
|--|----------|-----------------------|--|--------------------------------|--------------------------------|
| Annual Pension Cost (APC) | | | | | |
| State: | 06/30/02 | \$ 2,362,253 | -- | \$ 27,066,170 | \$ 35,021,527 |
| | 06/30/03 | 1,354,894 | -- | 32,553,999 | 226,078,274 |
| | 06/30/04 | (938,653) | -- | 41,701,749 | 881,968,280 |
| Local: | 06/30/02 | -- | 16,174,534 | -- | -- |
| | 06/30/03 | -- | 16,987,033 | -- | -- |
| | 06/30/04 | -- | 20,882,718 | -- | -- |
| Contributions Made | | | | | |
| State: | 06/30/02 | -- | -- | -- | -- |
| | 06/30/03 | -- | -- | -- | -- |
| | 06/30/04 | -- | -- | -- | -- |
| Local: | 06/30/02 | -- | 16,174,534 | -- | -- |
| | 06/30/03 | -- | 16,987,033 | -- | -- |
| | 06/30/04 | -- | 20,882,718 | -- | -- |
| Percentage of APC Contributed | | | | | |
| State: | 06/30/02 | 0.0% | 100.0% | 0.0% | 0.0% |
| | 06/30/03 | 0.0% | 100.0% | 0.0% | 0.0% |
| | 06/30/04 | 0.0% | 100.0% | 0.0% | 54.9% |
| Local: | 06/30/02 | -- | 100.0% | -- | -- |
| | 06/30/03 | -- | 100.0% | -- | -- |
| | 06/30/04 | -- | 100.0% | -- | -- |
| Net Pension Obligation | | | | | |
| State: | 06/30/02 | (7,170,948) | -- | 81,642,507 | (421,761,704) |
| | 06/30/03 | (5,816,054) | -- | 114,196,506 | (195,683,430) |
| | 06/30/04 | (6,754,707) | -- | 155,898,255 | 201,860,313 |
| Local: | 06/30/02 | -- | -- | -- | -- |
| | 06/30/03 | -- | -- | -- | -- |
| | 06/30/04 | -- | -- | -- | -- |
| Contribution rates | | | | | |
| State | | N/A | 0.0% | 19.4% | 12.0% |
| State-related employers | | N/A | 0.4% | N/A | N/A |
| Employees | | N/A | 3.0% | 7.5% | 3.0% |
| Significant Actuarial Assumptions and Methods | | | | | |
| Date of actuarial valuation | | 6/30/03 | 6/30/03 | 6/30/03 | 6/30/03 |
| Actuarial cost method | | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit |
| Amortization method | | Level Dollar Closed | Level Percent Closed | Level Dollar Closed | Level Percent Closed |
| Remaining amortization period | | 1 year | 38 years for UAAL 8 years for Asset Method Change | 30 years | 30 years |
| Asset valuation method | | Market Value | Five Year Average Market Value | Five Year Average Market Value | Five Year Average Market Value |
| Actuarial assumptions | | | | | |
| Investment rate of return | | 5.00% | 8.75% | 8.75% | 8.75% |
| Projected salary increases | | N/A | 5.95% | 5.95% | 5.95% |
| Cost-of-Living adjustments | | N/A | 2.40% | 2.40% | 2.40% |

The Annual Pension Cost (APC) and Net Pension Obligation (NPO) for the single employer plans and cost sharing plans with special funding situations, which are administered by the State of New Jersey for the fiscal year ending June 30, 2004 are presented below:

| | SINGLE EMPLOYER PLANS | | |
|--|-----------------------|----------------|----------------|
| | JRS | POPF | SPRS |
| Annual Required Contribution, 6/30/04 | \$ 18,720,233 | \$ (6,754,707) | \$ 37,600,821 |
| Interest adjustment on NPO | (3,994,892) | (290,803) | 9,992,194 |
| Adjustment to Annual Required Contribution | 2,355,336 | 6,106,857 | (5,891,266) |
| APC as of 6/30/04 | 17,080,677 | (938,653) | 41,701,749 |
| Total Fiscal Year 2004 Contributions | 16,777,190 | -- | -- |
| Increase in NPO | 303,487 | (938,653) | 41,701,749 |
| NPO as of June 30, 2003 | (45,655,910) | (5,816,054) | 114,196,506 |
| NPO as of June 30, 2004 | \$ (45,352,423) | \$ (6,754,707) | \$ 155,898,255 |

| | COST SHARING PLANS WITH SPECIAL FUNDING SITUATIONS | | |
|--|---|----------------|-----------------|
| | CPFPF | TPAF | TOTAL ALL PLANS |
| Annual Required Contribution, 6/30/04 | \$ 5,330,714 | \$ 686,284,850 | \$ 741,181,911 |
| Interest adjustment on NPO | 73,196 | (17,122,300) | (11,342,605) |
| Adjustment to Annual Required Contribution | (909,727) | 212,805,730 | 214,466,930 |
| APC as of 6/30/04 | 4,494,183 | 881,968,280 | 944,306,236 |
| Total Fiscal Year 2004 Contributions | 1,950,425 | 484,424,537 | 503,152,152 |
| Increase in NPO | 2,543,758 | 397,543,743 | 441,154,084 |
| NPO as of June 30, 2003 | 836,531 | (195,683,430) | (132,122,357) |
| NPO as of June 30, 2004 | \$ 3,380,289 | \$ 201,860,313 | \$ 309,031,727 |

NOTE 17 - POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2004, there were 64,628 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994 with an additional contribution beginning in Fiscal Year 1996 to maintain a medical reserve that increases by one half of one percent of the active State payroll each year.

Commencing on July 1, 1997, State employees attaining 25 years of service credit after this date in a State administered retirement system and those who retire on disability who elect the Traditional Plan shall be subject to premium sharing based on the negotiated contracts.

The State made post-retirement medical (PRM) contributions of \$424.8 million for TPAF and \$168.7 million for PERS in Fiscal Year 2004. The State did not make a contribution to the TPAF and PERS in Fiscal Year 2002 toward the cost of PRM benefits in accordance with P.L. 2002, c.11, which allowed the State to use available reserves in the Post-Retirement Medical Funds to cover required pay-as-you-go medical premiums. This legislation also suspended in Fiscal Years 2002 and 2003 the additional PRM contribution to increase the fund balance by one half of one percent of active member salaries for the valuation period.

P.L. 1977, c.136, provides for the State's General Fund to pay health benefits on a pay-as-you-go basis for all enrolled retired State employees, regardless of retirement date, under two provisions. The first is for State employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired State employees who are eligible for a disability retirement regardless of years of service. PERS and TPAF

retirees are excluded from the provisions set forth in P.L. 1977, c.136 since their health benefits coverage is funded through each of their respective pension fund systems. The State contributed \$58.3 million for 5,417 eligible retired members for Fiscal Year 2004.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$74.0 million toward Chapter 126 benefits for 9,138 eligible retired members in Fiscal Year 2004.

P.L. 1997, c.330 provides State paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State is responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State contributed \$16.1 million in the current year to provide benefits under Chapter 330 to qualified retirees.

NOTE 18 - COMPONENT UNITS

A. Authorities

The accounts of public authorities, private not-for-profit corporations, and similar entities (hereinafter called Authorities) in the accompanying financial statements are derived from their most recently issued annual financial statements. Authorities are legally separate entities that are not operating departments of the State.

The activities of the Garden State Preservation Trust, the New Jersey Building Authority, the New Jersey School Construction Corporation, the New Jersey Transportation Trust Fund Authority, and the Tobacco Settlement Financing Corporation have been blended into the financial activities of the State as special revenue and debt service funds. All other Authorities have been discretely presented as major and nonmajor component units in the State's financial statements in accordance with GASB Statement No. 14, *The Financial Reporting Entity*.

The Authorities are managed independently, outside the appropriated budget process, and their powers generally are vested in a governing board. Authorities are established for a variety of purposes for the benefit of the State's citizenry, such as financing economic development, public transportation, low cost housing, environmental protection, and capital development for health and education. In addition, they are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

The Governor, with the approval of the State Senate, appoints the members of the board of most Authorities. Authorities generally submit annual reports to the Governor, the State Legislature, and the State Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Authorities also submit to the Governor and the State Legislature annual budget information on operations and capital construction. The Governor has from time to time exercised the statutory power to veto actions.

These component units are included in the State's reporting entity because of the significance of their operational or financial relationship with the State. Descriptions of the discretely presented Authorities and addresses from which separately issued audited financial statements may be obtained are provided below:

Casino Reinvestment Development Authority (N.J.S.A. 5:12-153)
1014 Atlantic Avenue
Atlantic City, New Jersey 08401
Fiscal Year Ending December 31, 2003
www.njcrda.com

The Authority was created in 1984 to maintain public confidence in the casino gaming industry as a tool of urban redevelopment throughout New Jersey and to directly facilitate the redevelopment of blighted areas by providing eligible projects in which licensees (casinos) can invest. The Authority encourages investment in, or financing of, projects which are made as part of a comprehensive plan to improve blighted areas or are targeted to benefit low through middle income residents. The Authority is also responsible for promoting the tourist industry in New Jersey, especially in Atlantic County.

New Jersey Commerce and Economic Growth Commission (P.L. 1998, c.44)
20 West State Street
P.O. Box 820
Trenton, New Jersey 08625-0820
Fiscal Year Ending June 30, 2004
www.newjerseycommerce.org

In accordance with P.L. 1998, c.44 the Department of Commerce and Economic Development, the principal economic development department in the Executive Branch of State Government, was abolished and the New Jersey Commerce and Economic Growth Commission was created. Its mission is to serve as the lead agency for promoting job growth, business growth, and economic development in New Jersey.

New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises (P.L. 1985, c.386)
36 West State Street
P.O. Box 990
Trenton, New Jersey 08625
Fiscal Year Ending December 31, 2003
www.fieldus.org/directory/records/335.htm

The New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprise was established as a public body corporate and politic of the State. The Authority was established to provide financial assistance to small businesses and businesses owned by minorities and women in order to encourage entrepreneurship within these groups.

New Jersey Economic Development Authority (N.J.S.A. 34:1B-4)
36 West State Street
P.O. Box 990
Trenton, New Jersey 08625
Fiscal Year Ending December 31, 2003
www.njeda.com

Created in 1974 as a public body corporate and politic, the New Jersey Economic Development Authority is authorized to arrange long-term, low-interest financing, and other forms of assistance to private firms and companies for the purpose of maintaining and expanding employment opportunities and enlarging state and local governments tax base.

New Jersey Educational Facilities Authority (N.J.S.A. 18A:72A-4)
101 College Road East
Princeton, New Jersey 08540-6601
Fiscal Year Ending December 31, 2003
www.njefa.com

The New Jersey Educational Facilities Authority was established in 1966 to provide a means for New Jersey public and independent colleges and universities to construct additional facilities through the financial resources of a public authority empowered to sell its debt instruments (bonds, notes, and other obligations). The Authority may finance academic and auxiliary facilities for the public and independent institutions of higher education.

New Jersey Environmental Infrastructure Trust (N.J.S.A. 58:11B-4)
3131 Princeton Pike - Building 6
P. O. Box 440
Trenton, New Jersey 08625
Fiscal Year Ending June 30, 2004
www.njeit.org

The New Jersey Environmental Infrastructure Trust was established in 1985 to make loans and guarantee debt incurred by local government units in financing the cost of wastewater treatment system projects. The Trust may from time to time issue bonds, notes, or other obligations in any principal amounts that the Trust deems necessary, up to an aggregate principal amount of \$600 million, in order to provide sufficient funds to carry out its statutory purpose.

New Jersey Health Care Facilities Financing Authority (N.J.S.A. 26:21-4)
Station Plaza Bldg. #4
South Clinton and Yard Avenues
P.O. Box 366
Trenton, New Jersey 08625
Fiscal Year Ending December 31, 2003
www.njhcffa.com

The New Jersey Health Care Facilities Financing Authority, established in 1972 as a public body corporate and politic of the State, provides low-cost capital financing for the public and private not-for-profit health care institutions of the State.

New Jersey Higher Education Student Assistance Authority (N.J.S.A. 18A:71A-1 et. seq.)
P.O. Box 540
Trenton, New Jersey 08625-0540
Fiscal Year Ending June 30, 2004
www.hesaa.org

This Authority was established to provide a single agency for the coordination and delivery of student financial assistance in the State. The Authority serves as the Guaranty Agency for the Federal Family Education Loan (FFEL) Program and the issuer of State of New Jersey College Loans to Assist State Students (NJCLASS) supplementary loan program. The authority also administers the State Tuition Aid Grants (TAG), scholarship programs, and the State College Savings Program, known as the New Jersey Better Educational Trust (NJBEST).

New Jersey Housing and Mortgage Finance Agency (N.J.S.A. 55:14K-4)
637 South Clinton Avenue
P. O. Box 18550
Trenton, New Jersey 08650-2085
Fiscal Year Ending June 30, 2004
www.state.nj.us/dca/hmfa

The Housing and Mortgage Finance Agency (HMFA) makes mortgage and improvement loans to nonprofit and limited dividend sponsors for the construction or major rehabilitation of rental apartment housing for low and moderate-income families and senior citizens. In addition to providing financing, the Agency monitors and provides technical support in the planning, construction, and management of all developments in its portfolio. HMFA mortgage loan funds come from the sale of tax-exempt revenue bonds.

In promoting the availability of affordable homeownership financing, the Agency also provides low-interest mortgage and improvement loans to eligible residents throughout the State. Proceeds from the sale of tax-exempt mortgage revenue bonds enable the Agency to finance the purchase and improvement of one to four unit residences.

New Jersey Meadowlands Commission (N.J.S.A. 13:17-5)
1 De Korte Park Plaza
Lyndhurst, New Jersey 07071
Fiscal Year Ending December 31, 2003
www.meadowlands.state.nj.us

The New Jersey Meadowlands Commission is a body corporate and politic established within the Department of Community Affairs under the provisions of the Hackensack Meadowlands Reclamation and Development Act of 1968. The Commission is authorized and empowered to be the planning and zoning agency for the reclaiming, planning, development, redevelopment, and enhancement, including open space acquisition of the 19,730 acre Meadowlands District.

The District consists of waterways, tidal flow lands, woodlands, marsh, and meadows contained within portions of 14 municipalities and two counties; Bergen and Hudson. Through the issuance, if needed, of tax-exempt bonds and notes, the Commission is able to raise needed funds.

New Jersey Redevelopment Authority (P.L. 1996, c.62)
225 East State Street
P. O. Box 790
Trenton, New Jersey 08625
Fiscal Year Ending December 31, 2003
www.state.nj.us/njra

The New Jersey Redevelopment Authority was created on July 13, 1996 to provide assistance in the redevelopment and revitalization of New Jersey cities. The Authority is to provide financial, managerial, and technical assistance to persons, firms, or corporations that wish to undertake industrial, commercial, or civic projects within qualified municipalities.

New Jersey Sports and Exposition Authority (N.J.S.A. 5:10-4)
50 Route 120
East Rutherford, New Jersey 07073
Fiscal Year Ending December 31, 2003
www.njsea.com

The New Jersey Sports and Exposition Authority, established in 1971 as a public body corporate and politic with corporate succession, is engaged in the business of owning, operating, and managing sports, entertainment, wagering, and convention facilities throughout the State. It has been responsible for the financing, construction, and management of the Meadowlands Racetrack and Giants Stadium, both of which opened in 1976, and the Continental Airlines Arena which opened in July, 1981. The Authority is charged with the responsibility to own, operate, and build various facilities, located in the State, including the Atlantic City Convention & Visitors Authority, for athletic and entertainment events, trade shows, and other expositions, and is authorized to issue bonds and notes and to provide the terms and security thereof.

New Jersey Transit Corporation (N.J.S.A. 27:25-1)
One Penn Plaza East
Newark, New Jersey 07105
Fiscal Year Ending June 30, 2004
www.njtransit.com

New Jersey Transit Corporation (NJ TRANSIT) was created by the New Jersey Public Transportation Act of 1979 and is empowered to acquire, own, operate, and contract for the operation of public transportation services.

NJ TRANSIT receives operating subsidies principally from the State by legislative appropriation and the Federal Government by defined formula grants under the Federal Transit Administration. These government grants are used to support the operation of public transportation services.

NJ TRANSIT provides these services through the operation of bus and commuter rail subsidiaries. NJ TRANSIT also contracts with several motor bus carriers for certain transportation services. Under these contracts, NJ TRANSIT has the right to set fares and coordinate service levels and schedules. In addition, NJ TRANSIT contracts with the National Railroad Passenger Corporation (Amtrak) for the use of Amtrak's northeast corridor, including propulsion costs and the cost of maintaining right-of-way.

New Jersey Turnpike Authority (N.J.S.A. 27:23-3)
P. O. Box 1121
New Brunswick, New Jersey 08903
Fiscal Year Ending December 31, 2003
www.state.nj.us/turnpike

The New Jersey Turnpike Authority, created as a body corporate and politic by the New Jersey Turnpike Authority Act of 1948, is authorized to construct, maintain, repair, and operate turnpike projects at locations established by law. Furthermore, the Authority may issue turnpike revenue bonds or notes of the Authority, subject to prior approval by the Governor and by either or both the State Treasurer and Comptroller, payable solely from tolls and other revenues of the Authority. Effective July 9, 2003, the New Jersey Highway Authority merged and became part of the New Jersey Turnpike Authority. The New Jersey Turnpike Authority has assumed all operations of the New Jersey Highway Authority.

New Jersey Water Supply Authority (N.J.S.A. 58:1B-4)
P. O. Box 5196
Clinton, New Jersey 08809
Fiscal Year Ending June 30, 2004
www.njwsa.org

The New Jersey Water Supply Authority, created in 1981 as a public body corporate and politic, is authorized to acquire, finance, construct, and operate water supply systems. The Authority currently operates and maintains the Delaware and Raritan Canal and the Spruce Run/Round Valley Reservoir water supply system.

The Authority may, upon the request of a municipality, county, the State, or agencies thereof, enter into a contract to provide services for any water system project. All projects undertaken by the Authority shall conform to the recommendations of the New Jersey Statewide Water Supply Plan. Bonds of the Authority may be issued to finance these projects and the debt service on the bonds is payable from the revenues and other funds of the Authority.

South Jersey Port Corporation (N.J.S.A. 12:11A-1)
Second and Beck Streets
Camden, New Jersey 08104
Fiscal Year Ending December 31, 2003
www.southjerseyport.com

The South Jersey Port Corporation, established as a public body corporate and politic of the State, was created in 1968 by the South Jersey Port Corporation Act. The Act conferred upon the Corporation the powers to establish, acquire, construct, rehabilitate, improve, operate, and maintain marine terminals in the South Jersey Port District, including Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May counties. To this end, the Corporation may issue tax-exempt revenue bonds subject to the provisions and restrictions of the Marine Terminal Revenue Bond Resolution adopted November 30, 1970, which mandates the distribution of funds to various Port Corporation funds.

South Jersey Transportation Authority (P.L. 1991, c.252)
Farley Service Plaza
P. O. Box 351
Hammonton, New Jersey 08037
Fiscal Year Ending December 31, 2003
www.sjta.com

The South Jersey Transportation Authority created in 1992 is authorized and empowered to acquire, construct, maintain, operate, and support transportation projects including the Atlantic City Expressway and the Atlantic County International Airport. The Authority may issue revenue bonds or notes of the Authority subject to prior approval by the Governor and by either or both the State Treasurer and State Comptroller, payable solely from tolls and other revenues of the Authority.

B. Colleges and Universities

As a result of P.L. 1988, c.42 and c.88, State colleges, whose revenues and expenditures were previously accounted for in the General Fund of the State of New Jersey, were given autonomous status effective July 1, 1987.

The financial statements of the colleges and universities have been prepared in accordance with GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*. These component units are included in the State’s reporting entity because of the significance of their operational or financial relationships and fiscal dependency with the State. The colleges and universities are funded through State appropriations, tuition, federal grants, and private donations and grants. Since the colleges and universities are similar in nature and function, their statements have been discretely presented in the statement of net assets and the statement of activities. They are presented in two categories, major and nonmajor. This distinction is determined by the relative size of an entity’s assets, liabilities, revenues, and expenditures in relation to the total of all the colleges and universities. Pursuant to GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, all of the State colleges and universities’ financial statements include the financial activity related to foundations and other similar organization within the colleges and universities.

Separately issued independent audited financial statements may be directly obtained from the colleges and universities. Addresses and web-sites of the colleges and universities are presented below:

The College of New Jersey (N.J.S.A. 18A:62-1)
2000 Pennington Road
Ewing, New Jersey 08628-0718
www.tcnj.edu

Thomas Edison State College (N.J.S.A. 18A:62-1)
101 West State Street
Trenton, New Jersey 08608
www.tesc.edu

Kean University (N.J.S.A. 18A:62-1)
1000 Morris Avenue
Union, New Jersey 07083
www.kean.edu

Montclair State University (N.J.S.A. 18A:62-1)
One Normal Avenue
Upper Montclair, New Jersey 07043
www.montclair.edu

New Jersey City University (N.J.S.A. 18A:62-1)
2039 Kennedy Boulevard
Jersey City, New Jersey 07305
www.njcu.edu

New Jersey Institute of Technology (N.J.S.A. 18A:64E-4)
323 Martin Luther King Jr. Boulevard
University Heights
Newark, New Jersey 07102-1982
www.njit.edu

The William Paterson University of New Jersey (N.J.S.A. 18A:62-1)
358 Hamburg Turnpike
Wayne, New Jersey 07470
www.wpunj.edu

Ramapo College of New Jersey (N.J.S.A. 18A:62-1)
505 Ramapo Valley Road
Mahwah, New Jersey 07430
www.ramapo.edu

Rowan University (N.J.S.A. 18A:62-1)
201 Mullica Hill Road
Glassboro, New Jersey 08028
www.rowan.edu

Rutgers, The State University of New Jersey (N.J.S.A. 18A:65-12)
65 Davidson Road
Piscataway, New Jersey 08854-5603
www.rutgers.edu

The Richard Stockton College of New Jersey (N.J.S.A. 18A:62-1)
P.O. Box 195
Pomona, New Jersey 08240-195
www2.stockton.edu/stockton.html

University of Medicine and Dentistry of New Jersey (N.J.S.A. 18A:64G-4)
335 George Street
New Brunswick, New Jersey 08903-2688
www.umdny.edu

NOTE 19 - CONTINGENT LIABILITIES

General Fund

At any given time, there are various numbers of tort, contract, and other claims and cases pending against the State, State agencies, and employees, seeking recovery of monetary damages. The majority of these claims have historically proven to be substantially less value than originally claimed. The State does not formally estimate its reserve representing potential exposure for these claims and cases. As of June 30, 2004, the exact amount involved in these legal proceedings is not fully determinable.

Special Revenue Funds

New Jersey Lawyers Fund for Client Protection

Claims of approximately \$18.3 million have been filed against this Fund by individuals and companies seeking reimbursement for losses resulting from the alleged dishonest conduct by members of the Bar of the State of New Jersey. Under present rules and regulations of the Fund, the total maximum amount that may be awarded is \$11.9 million. The ultimate disposition of these claims is not determinable at this time.

New Jersey Spill Compensation Fund

As of June 30, 2004, various claims have been filed against the Fund by third parties for damages caused by spills. These claims have not reached the stage in the judicial process where reasonable amounts have been established, and therefore, are not classified as liabilities under generally accepted accounting principles.

Sanitary Landfill Facility Contingency Fund

Various claims totaling approximately \$13.0 million have been filed against this Fund by individuals, local municipalities, and school districts. In addition, there are a number of similar claims for unspecified dollar amounts which are pending. The ultimate disposition of these claims is not determinable at this time.

University of Medicine and Dentistry of New Jersey – Self Insurance Reserve Fund

The State has the ultimate liability for tort and malpractice claims in excess of the resources of the Fund.

Capital Projects Funds

Due to delays in construction and design problems, various claims for damages have been filed with respect to the Special Transportation Fund in the amount of \$12.2 million. Fund management is presently evaluating the claims. There has been no determination as to the ultimate amount for which this Fund will be liable.

Federal Programs

Under the terms of various grant awards, expenditures from Federal funds are subject to audit. As of June 30, 2004, audits of expenditures for Fiscal Year 2004 and prior years may not be completed. Disallowances which may result from these audits are not determinable at this time. As of June 30, 2004, it is management's opinion that disallowances, if any, would not be material.

NOTE 20 – SUBSEQUENT EVENTS

Short-term Debt

For Fiscal Year 2005, the State authorized the issuance of \$3.1 billion in short-term debt. The aggregate principal is to be used to provide effective cash flow management to fund the imbalances that occur in the collection of revenues and the disbursement of appropriations. On August 12, 2004 the State issued \$1.5 billion of tax and revenue anticipation notes. The notes have a June 24, 2005 final maturity and bear an interest rate of 3.0 percent per annum. The State has another \$1.6 billion remaining in Fiscal Year 2005 borrowing authorization should the State need additional funds in order to manage its cash flow more effectively.

Long-term Debt

On August 25, 2004 the New Jersey Economic Development Authority issued \$807.5 million of Motor Vehicle Surcharges Revenue Bonds, 2004 Series A. Net proceeds from the bond sale are to be deposited into the Motor Vehicles Surcharges Securitization Fund, a special non-lapsing fund within the Department of the Treasury. As determined by the State Treasurer, bond proceeds will be transferred to the State's General Fund during the State's fiscal year which began on July 1, 2004. The bond proceeds are to be used for any lawful purpose of the State for which moneys on deposit in the General Fund may be used and to support the Fiscal Year 2005 appropriations. Interest on the bonds is payable semi-annually on January 1 and July 1, commencing on January 1, 2005. The final maturity on the bonds is July 1, 2034.

On August 31, 2004 the New Jersey Economic Development Authority, in accordance with the Educational Facilities Construction and Financing Act, issued \$250.0 million in School Facilities Construction Bonds 2004 Series I, and \$500.0 million in School Facilities Construction Bonds 2004 Series J. Proceeds from both bond issuances are to be used for the purpose of partially funding the school facilities construction program. The 2004 Series I bonds were issued as fixed rate debt. Interest on the bonds is payable semi-annually on March 1 and September 1, commencing on March 1, 2005. The final maturity on the 2004 Series I Bonds is September 1, 2029. The 2004 Series J Bonds are variable rate, Auction Rate Securities. In order to manage interest rate exposures and achieve a fixed rate on the bonds, the New Jersey Economic Development Authority entered into two separate swap agreements with swap providers with respect to the full principal amount of the 2004 Series J Bonds. The swap agreements shall be in effect during the entire term of the 2004 Series J Bonds. Each swap agreement provides that the Authority will pay the respective swap provider a fixed rate of 4.0625 percent on a notional amount equal to the principal amount of the 2004 Series J Bonds being hedged and that the swap provider will pay the New Jersey Economic Development Authority a floating amount based on 75.0 percent of the one month LIBOR on the same notional amount. As the 2004 Series J Bonds are redeemed, the notional amounts of the respective swap agreements shall decrease proportionately. The parties' obligations are expected to be settled on a net basis in accordance with the prevailing practice in the interest exchange market. The final maturity on the 2004 Series J Bonds is September 1, 2029.

On September 2, 2004 the New Jersey Transportation Trust Fund Authority issued \$471.7 million in bonds on behalf of both the New Jersey Department of Transportation and New Jersey Transit for various system improvements. Interest on the bonds is payable semi-annually on June 15 and December 15, commencing on December 15, 2004. Final maturity on the bonds is June 15, 2005.

On September 16, 2004 the Garden State Preservation Trust, entered into a forward delivery bond purchase contract for the issuance and sale of 2005 Series B, Open Space and Farmland Preservation Bonds in the aggregate principal amount of \$150.0 million. The bonds were issued to fund the acquisition and development of land in New Jersey in order to preserve open space for conservation and recreation purposes, to fund the acquisition of farmland and interests in farmland to support, as a first priority, agricultural or horticultural production, and finally, to fund the preservation of historic properties in New Jersey. The 2005 Series B Bonds that were issued are forward delivery bonds that are expected to close on December 1, 2005. The bonds were issued during September 2004 in order to take advantage of today's historical low interest rate environment. Interest on the bonds is payable semi-annually on each May 1 and November 1, beginning May 1, 2006. Final maturity on the bonds is November 1, 2016.

On September 23, 2004 the New Jersey Transportation Trust Fund Authority entered into a forward delivery bond purchase contract for the issuance and sale of 2005 Series A, Transportation System Bonds in the aggregate principal amount of \$566.8 million. Upon their issuance, the proceeds of the 2005 Series A Bonds will be applied to refund \$371.5 million of the Authority's 1995 Series A Bonds, and \$215.4 million of the Authority's 1995 Series B Bonds. The 2005 Series A Bonds will not be issued and delivered to the purchasers of the bonds until March 22, 2005. When issued, interest on the bonds will be payable semi-annually on June 15 and December 15, commencing on June 15, 2005. Final maturity on the bonds is December 15, 2014.

On October 14, 2004 the New Jersey Economic Development Authority issued \$1,461.0 million of Cigarette Tax Revenue Bonds, Series 2004. Net proceeds from the bond sale are to be deposited into the Cigarette Tax Securitization Proceeds Fund, a special non-lapsing fund within the Department of the Treasury. As determined by the State Treasurer, bond proceeds will be transferred to the State's General Fund during the State's fiscal year which began on July 1, 2004. The bond proceeds are to be used for any lawful purpose of the State for which moneys on deposit in the General Fund may be used and to support the Fiscal Year 2005 appropriations. Interest on the bonds is payable semi-annually on June 15 and December 15, commencing on December 15, 2004. The final maturity on the bonds is June 15, 2034.

On October 28, 2004 the New Jersey Transportation Trust Fund Authority issued \$849.8 million of 2004 Series B, Transportation System Bonds. Proceeds of the bond issuance will be applied to refund \$68.8 million of the Authority's 1995 Series A Bonds, \$45.3 million of the 1995 Series B Bonds, \$124.5 million of the 1996 Series A Bonds, \$289.9

million of the 1996 Series B Bonds, \$244.0 million of the 1997 Series A Bonds, \$76.7 million of the 1998 Series A Bonds, and \$23.5 million of the 2001 Series B Bonds. Interest on the bonds is payable semi-annually on June 15 and December 15, commencing on December 15, 2004. Final maturity on the bonds is December 15, 2017.

On October 29, 2004 the New Jersey Economic Development Authority issued \$89.3 million of 2004 Series A and B Bonds to provide funds for the payment in full or in part of employment incentive grants to certain eligible businesses in accordance with the terms and conditions of the Business Employment Incentive Program. The 2004 Series A and B Bonds are variable rate, Auction Rate Securities. The initial rate for the first 28 day period on the 2004 Series A Bonds was 1.95 percent. A swap agreement was entered into for the 2004 Series B Bonds. The swap agreements shall be in effect during the entire term of the 2004 Series B Bonds. The swap agreement for the 2004 Series B Bonds provides that the Authority will pay the respective swap provider a fixed rate of 4.76 percent on the notional amount equal to the principal amount of the 2004 Series B Bonds being hedged and that the respective swap provider will pay the New Jersey Economic Development Authority a floating amount based on 100 percent of the one-month USD LIBOR plus 0.07 percent on the same notional amount. As the 2004 Series B Bonds are redeemed, the notional amounts of the respective swap agreements shall decrease proportionately. The parties' obligations are expected to be settled on a net basis in accordance with the prevailing practice in the interest rate exchange market.

On November 16, 2004 the New Jersey Economic Development Authority issued \$37.5 million of State Lease Revenue Refunding Bonds, 2004 Series A. The bonds were issued to partially refund the 2000 Series Bonds. Interest is payable semi-annually on June 15 and December 15, commencing on June 15, 2005. Final maturity on the bonds is June 15, 2020.

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | General Fund | | | |
|--|----------------------------|-------------------------|---|---------------------------------------|
| | Original Budget | Final Budget | Actual Amounts (Budgetary Basis) | Variance with Final Budget |
| REVENUES | | | | |
| Taxes | \$ 11,323,250,000 | \$ 11,955,136,000 | \$ 11,866,659,748 | \$ (88,476,252) |
| Federal and other grants | 9,534,361,739 | 9,578,151,022 | 7,373,249,893 | (2,204,901,129) |
| Licenses and fees | 904,801,600 | 876,299,987 | 706,970,624 | (169,329,363) |
| Services and assessments | 1,647,662,940 | 1,300,388,894 | 1,175,630,058 | (124,758,836) |
| Investment earnings | 12,000 | 11,661,632 | 18,425,168 | 6,763,536 |
| Other | 2,963,090,622 | 3,012,966,458 | 2,604,578,243 | (408,388,215) |
| Total revenues | 26,373,178,901 | 26,734,603,993 | 23,745,513,734 | (2,989,090,259) |
| OTHER FINANCING SOURCES | | | | |
| Transfers from other funds | 3,457,291,000 | 3,791,306,613 | 3,446,508,971 | (344,797,642) |
| Total other financing sources | 3,457,291,000 | 3,791,306,613 | 3,446,508,971 | (344,797,642) |
| Total revenues and other financing sources | 29,830,469,901 | 30,525,910,606 | 27,192,022,705 | (3,333,887,901) |
| EXPENDITURES | | | | |
| Public safety and criminal justice | 3,553,899,518 | 3,571,777,739 | 2,708,773,563 | 863,004,176 |
| Physical and mental health | 8,741,997,627 | 9,019,608,728 | 8,261,167,629 | 758,441,099 |
| Educational, cultural, and intellectual development | 6,475,175,412 | 6,484,952,536 | 6,232,864,340 | 252,088,196 |
| Community development and environmental management | 1,492,767,486 | 1,527,692,128 | 1,034,015,458 | 493,676,670 |
| Economic planning, development, and security | 3,157,078,384 | 3,196,260,612 | 2,717,026,753 | 479,233,859 |
| Transportation programs | 411,727,326 | 428,365,547 | 364,052,518 | 64,313,029 |
| Government direction, management, and control | 4,170,379,988 | 4,297,904,189 | 3,964,602,842 | 333,301,347 |
| Special government services | 325,438,281 | 334,872,248 | 266,201,280 | 68,670,968 |
| Total expenditures | 28,328,464,022 | 28,861,433,727 | 25,548,704,383 | 3,312,729,344 |
| OTHER FINANCING USES | | | | |
| Transfers to other funds | 1,503,459,879 | 1,503,459,879 | 1,503,459,879 | -- |
| Total other financing uses | 1,503,459,879 | 1,503,459,879 | 1,503,459,879 | -- |
| Total expenditures and other financing uses | 29,831,923,901 | 30,364,893,606 | 27,052,164,262 | 3,312,729,344 |
| Net change in fund balance | (1,454,000) | 161,017,000 | 139,858,443 | (21,158,557) |
| FUND BALANCES - JULY 1, 2003 | 250,000,000 | 372,982,470 | 372,982,470 | -- |
| FUND BALANCE - JUNE 30, 2004 | \$ 248,546,000 | \$ 533,999,470 | \$ 512,840,913 | \$ (21,158,557) |

| Property Tax Relief Fund | | | |
|--------------------------|------------------|--|-------------------------------|
| Original Budget | Final Budget | Actual Amounts (Budgetary Basis) | Variance with Final Budget |
| \$ 7,228,860,356 | \$ 7,543,860,356 | \$ 7,400,732,606 | \$ (143,127,750) |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| 7,228,860,356 | 7,543,860,356 | 7,400,732,606 | (143,127,750) |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| 7,228,860,356 | 7,543,860,356 | 7,400,732,606 | (143,127,750) |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| 5,313,087,438 | 5,306,047,438 | 5,309,179,072 | (3,131,634) |
| 934,913,918 | 932,638,918 | 934,824,084 | (2,185,166) |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| 980,859,000 | 993,409,000 | 975,717,195 | 17,691,805 |
| -- | -- | -- | -- |
| 7,228,860,356 | 7,232,095,356 | 7,219,720,351 | 12,375,005 |
| -- | 311,765,000 | -- | 311,765,000 |
| -- | 311,765,000 | -- | 311,765,000 |
| 7,228,860,356 | 7,543,860,356 | 7,219,720,351 | 324,140,005 |
| -- | -- | 181,012,255 | 181,012,255 |
| -- | -- | -- | -- |
| \$ -- | \$ -- | \$ 181,012,255 | \$ 181,012,255 |

(Continued on next page)

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE (Continued)
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | TOTAL MAJOR GOVERNMENTAL FUNDS | | | |
|--|---------------------------------------|-------------------------|---|---------------------------------------|
| | Original Budget | Final Budget | Actual Amounts (Budgetary Basis) | Variance with Final Budget |
| REVENUES | | | | |
| Taxes | \$ 18,552,110,356 | \$ 19,498,996,356 | \$ 19,267,392,354 | \$ (231,604,002) |
| Federal and other grants | 9,534,361,739 | 9,578,151,022 | 7,373,249,893 | (2,204,901,129) |
| Licenses and fees | 904,801,600 | 876,299,987 | 706,970,624 | (169,329,363) |
| Services and assessments | 1,647,662,940 | 1,300,388,894 | 1,175,630,058 | (124,758,836) |
| Investment earnings | 12,000 | 11,661,632 | 18,425,168 | 6,763,536 |
| Other | 2,963,090,622 | 3,012,966,458 | 2,604,578,243 | (408,388,215) |
| Total revenues | 33,602,039,257 | 34,278,464,349 | 31,146,246,340 | (3,132,218,009) |
| OTHER FINANCING SOURCES | | | | |
| Transfers from other funds | 3,457,291,000 | 3,791,306,613 | 3,446,508,971 | (344,797,642) |
| Total other financing sources | 3,457,291,000 | 3,791,306,613 | 3,446,508,971 | (344,797,642) |
| Total revenues and other financing sources | 37,059,330,257 | 38,069,770,962 | 34,592,755,311 | (3,477,015,651) |
| EXPENDITURES | | | | |
| Public safety and criminal justice | 3,553,899,518 | 3,571,777,739 | 2,708,773,563 | 863,004,176 |
| Physical and mental health | 8,741,997,627 | 9,019,608,728 | 8,261,167,629 | 758,441,099 |
| Educational, cultural, and intellectual development | 11,788,262,850 | 11,790,999,974 | 11,542,043,412 | 248,956,562 |
| Community development and environmental management | 2,427,681,404 | 2,460,331,046 | 1,968,839,542 | 491,491,504 |
| Economic planning, development, and security | 3,157,078,384 | 3,196,260,612 | 2,717,026,753 | 479,233,859 |
| Transportation programs | 411,727,326 | 428,365,547 | 364,052,518 | 64,313,029 |
| Government direction, management, and control | 5,151,238,988 | 5,291,313,189 | 4,940,320,037 | 350,993,152 |
| Special government services | 325,438,281 | 334,872,248 | 266,201,280 | 68,670,968 |
| Total expenditures | 35,557,324,378 | 36,093,529,083 | 32,768,424,734 | 3,325,104,349 |
| OTHER FINANCING USES | | | | |
| Transfers to other funds | 1,503,459,879 | 1,815,224,879 | 1,503,459,879 | 311,765,000 |
| Total other financing uses | 1,503,459,879 | 1,815,224,879 | 1,503,459,879 | 311,765,000 |
| Total expenditures and other financing uses | 37,060,784,257 | 37,908,753,962 | 34,271,884,613 | 3,636,869,349 |
| Net change in fund balance | (1,454,000) | 161,017,000 | 320,870,698 | 159,853,698 |
| FUND BALANCES - JULY 1, 2003 | 250,000,000 | 372,982,470 | 372,982,470 | -- |
| FUND BALANCE - JUNE 30, 2004 | <u>\$ 248,546,000</u> | <u>\$ 533,999,470</u> | <u>\$ 693,853,168</u> | <u>\$ 159,853,698</u> |

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

**Explanation of differences between budgetary inflows and outflows
and GAAP revenues and expenditures**

| | <u>General Fund</u> | <u>Property Tax Relief Fund</u> |
|---|-------------------------|-------------------------------------|
| Sources/inflows of resources: | | |
| Total revenues and other financing sources--actual amounts (budgetary basis) from the budgetary comparison schedule | \$27,192,022,705 | \$7,400,732,606 |
| Differences--budget to GAAP: | | |
| Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB 24). | 376,137,250 | -- |
| Federal revenue related to encumbrances is a budgetary resource but is not earned on a GAAP basis. | (95,723,609) | -- |
| Proceeds and premium from the sale of school construction bonds by the Economic Development Authority are not inflows of budgetary resources but are other financing sources for financial reporting purposes. | 1,614,974,737 | -- |
| Proceeds from the sale of general obligation refunding bonds are not inflows of budgetary resources but are other financing sources for financial reporting purposes. | 159,385,000 | -- |
| Premiums from the sale of installment obligations are not inflows of budgetary resources but are other financing sources for financial reporting purposes. | 5,935,204 | -- |
| Additions to other debt are not inflows of budgetary resources but are other financing sources for financial reporting purposes. | 443,602,000 | -- |
| Excess anticipated revenue transferred to Fund Balance - Reserved for Surplus Revenue is not a budgetary resource but is revenue for financial reporting purposes. | 282,416,413 | -- |
| Revenues in other funds are not inflows of budgetary resources but have been incorporated into revenues for financial reporting purposes. | <u>309,538,316</u> | <u>--</u> |
| Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds | <u>\$30,288,288,016</u> | <u>\$7,400,732,606</u> |

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

**Explanation of differences between budgetary inflows and outflows
and GAAP revenues and expenditures (continued)**

| | <u>General Fund</u> | <u>Property Tax Relief Fund</u> |
|---|--------------------------------|-------------------------------------|
| Uses/outflows of resources: | | |
| Total expenditures and other financing uses--actual amounts (budgetary basis) from the budgetary comparison schedule | \$27,052,164,262 | \$7,219,720,351 |
| Differences--budget to GAAP: | | |
| Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes. | (943,485,461) | (2,897,017) |
| Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes. | 774,382,612 | 25,041,054 |
| Loans and travel advances are outflows of budgetary resources but are not expenditures for financial reporting purposes. | (511,901) | -- |
| Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes. | 41,833,623 | -- |
| Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB 24). | 376,137,250 | -- |
| School construction bonds proceeds distributed to the New Jersey Schools Construction Corporation are not outflows of budgetary resources but are other financing uses for financial reporting purposes. | 1,546,194,689 | -- |
| General obligation refunding bonds proceeds deposited with fiscal agent are not outflows of budgetary resources but are other financing uses for financial reporting purposes. | 159,385,000 | -- |
| Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes. | 443,602,000 | -- |
| Expenditures in other funds are not outflows of budgetary resources but have been incorporated into expenditures for financial reporting purposes. | <u>236,694,060</u> | <u>--</u> |
| Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds | <u><u>\$29,686,396,134</u></u> | <u><u>\$7,241,864,388</u></u> |

STATE OF NEW JERSEY

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

Budgetary Process

The Appropriations Act provides annual budgets for the General Fund and certain special revenue funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief Funds). The State Legislature enacts the Budget through passage of specific departmental appropriations, the sum of which may not exceed estimated resources. It is a constitutional requirement that the Budget be balanced. The Governor certifies the revenues. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to State Legislative override. Once passed and signed, the Appropriations Act becomes the State's financial plan for the coming fiscal year. Spending authority contained in the Appropriations Act may be revised by supplemental appropriations approved by both the State Legislature and the Governor. Expenditures are presented on the accompanying budgetary basis financial statements by statewide program classifications, not by the legal level of budgetary control. Detail at the departmental level is presented on the accompanying Schedules of Appropriations and Expenditures.

For the General Fund and budgeted special revenue funds, budgetary control (legal control) is maintained within the department (as indicated on the organization chart shown in the Transmittal Letter) at the appropriation line item level. Program classifications represent a lower level, operating program function, consisting of closely related activities with identifiable objectives or goals. Program classification examples include Water Supply Management, Forestry Management, Shellfish and Marine Fisheries Management, in the Department of Environment Protection. Revisions to the Appropriations Act during the fiscal year may be effected with certain executive and legislative branch approvals. In accordance with the "General Provisions" section of the Annual Appropriations Act, the Executive Branch may amend the budget within a department with the approval of the Director of the Office of Management and Budget. Under specific conditions, additional approval by the Office of Legislative Services is required. Only the State Legislature, however, may transfer appropriations between departments. Transfers within a department are permitted within certain guidelines and Executive Branch approval.

Appropriations are authorized for expenditure during the fiscal year and for a period of one month thereafter, and unencumbered appropriations lapse at the end of the fiscal year, unless otherwise specified by the Appropriations Act.

The State's budgetary basis of accounting differs from that utilized to present fund financial statements in conformance with generally accepted accounting principles (GAAP). The main differences between the budgetary basis and the GAAP basis used to present fund financial statements, are that under the budgetary basis encumbrances are recognized as expenditures, the federal revenue related to such encumbrances is also recognized, and the budgetary basis reflects transactions only for the current fiscal year. In addition, under the GAAP basis in the fund financial statements, certain grants and other financial assistance are required to be recorded as revenues and expenditures.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ALL PENSION TRUST FUNDS**

| Plan / Actuarial Valuation | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|---|--|--|------------------------------------|-------------------------|----------------------------|--|
| PERS - State | | | | | | |
| 6/30/01 | 11,123,818,861 | 9,886,463,368 | (1,237,355,493) | 112.5% | 3,288,383,788 | (37.6)% |
| 6/30/02 | 11,073,156,965 | 10,760,557,482 | (312,599,483) | 102.9% | 3,511,151,199 | (8.9)% |
| 6/30/03 | 10,829,953,189 | 11,942,299,170 | 1,112,345,981 | 90.7% | 3,576,118,300 | 31.1% |
| PERS - Local | | | | | | |
| 6/30/01 | 16,625,288,260 | 13,819,038,491 | (2,806,249,769) | 120.3% | 5,240,338,738 | (53.6)% |
| 6/30/02 | 16,503,081,054 | 14,929,334,103 | (1,573,746,951) | 110.5% | 5,534,322,805 | (28.4)% |
| 6/30/03 | 16,406,284,200 | 15,887,012,746 | (519,271,454) | 103.3% | 5,811,726,702 | (8.9)% |
| TPAF | | | | | | |
| 6/30/01 | 35,351,379,511 | 32,745,357,185 | (2,606,022,326) | 108.0% | 6,948,381,383 | (37.5)% |
| 6/30/02 | 35,148,246,433 | 35,146,591,842 | (1,654,591) | 100.0% | 7,348,993,141 | 0.0% |
| 6/30/03 | 34,651,825,932 | 37,383,732,882 | 2,731,906,950 | 92.7% | 7,702,854,159 | 35.5% |
| PFRS-State | | | | | | |
| 6/30/01 | 1,991,299,968 | 1,866,140,391 | (125,159,577) | 106.7% | 398,118,379 | (31.4)% |
| 6/30/02 | 2,032,977,241 | 2,046,820,189 | 13,842,948 | 99.3% | 418,849,259 | 3.3% |
| 6/30/03 | 1,907,107,359 | 2,288,937,652 | 381,830,293 | 83.3% | 447,470,022 | 85.3% |
| PFRS-Local | | | | | | |
| 6/30/01 | 16,083,153,842 | 16,056,446,646 | (26,707,196) | 100.2% | 2,163,590,060 | (1.2)% |
| 6/30/02 | 16,392,195,411 | 17,181,142,310 | 788,946,899 | 95.4% | 2,275,130,620 | 34.7% |
| 6/30/03 | 16,447,612,874 | 18,258,853,488 | 1,811,240,614 | 90.1% | 2,393,467,444 | 75.7% |
| SPRS | | | | | | |
| 6/30/01 | 1,829,414,353 | 1,626,631,656 | (202,782,697) | 112.5% | 199,727,203 | (101.5)% |
| 6/30/02 | 1,853,684,177 | 1,739,427,739 | (114,256,438) | 106.6% | 215,161,126 | (53.1)% |
| 6/30/03 | 1,865,079,083 | 1,815,725,256 | (49,353,827) | 102.7% | 217,448,864 | (22.7)% |
| JRS | | | | | | |
| 6/30/01 | 379,592,346 | 372,760,069 | (6,832,277) | 101.8% | 57,800,334 | (11.8)% |
| 6/30/02 | 373,231,198 | 388,950,803 | 15,719,605 | 96.0% | 61,873,500 | 25.4% |
| 6/30/03 | 372,835,265 | 431,450,218 | 58,614,953 | 86.4% | 61,600,500 | 95.2% |
| CPFPF | | | | | | |
| 6/30/01 | 38,656,261 | 41,658,355 | 3,002,094 | 92.8% | - | N/A |
| 6/30/02 | 31,842,976 | 36,350,384 | 4,507,408 | 87.6% | - | N/A |
| 6/30/03 | 27,623,585 | 41,396,376 | 13,772,791 | 66.7% | - | N/A |
| POPF | | | | | | |
| 6/30/01 | 18,269,899 | 12,994,567 | (5,275,332) | 140.6% | - | N/A |
| 6/30/02 | 17,908,452 | 11,781,734 | (6,126,718) | 152.0% | - | N/A |
| 6/30/03 | 17,277,953 | 10,727,647 | (6,550,306) | 161.1% | - | N/A |

**STATE OF NEW JERSEY
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2004**

| | Special Revenue Funds | Debt Service Fund | Capital Projects Funds | Total Non-Major Governmental Funds |
|--|--------------------------------------|----------------------------------|---------------------------------------|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 42,827,334 | \$ 57,871 | \$ 6,739,398 | \$ 49,624,603 |
| Investments | 3,203,927,642 | 181,478 | 78,707,003 | 3,282,816,123 |
| Receivables, net of allowances for uncollectibles | | | | |
| Federal government | 34,051 | -- | 136,243,422 | 136,277,473 |
| Departmental accounts | 375,967,968 | -- | 837,291 | 376,805,259 |
| Loans | 945,290,487 | -- | 5,000,000 | 950,290,487 |
| Other | 156,181,836 | -- | 152,510,808 | 308,692,644 |
| Due from other funds | 191,480,136 | -- | 140,120,826 | 331,600,962 |
| Other | 3,092,245 | 4,147,283 | -- | 7,239,528 |
| Total Assets | <u>\$ 4,918,801,699</u> | <u>\$ 4,386,632</u> | <u>\$ 520,158,748</u> | <u>\$ 5,443,347,079</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable and accruals | \$ 335,578,961 | \$ 4,147,283 | \$ 199,222,493 | \$ 538,948,737 |
| Deferred revenue | 135,196,010 | -- | -- | 135,196,010 |
| Due to other funds | 594,791,208 | -- | 102,358,462 | 697,149,670 |
| Other | 28,012,542 | -- | -- | 28,012,542 |
| Total Liabilities | <u>1,093,578,721</u> | <u>4,147,283</u> | <u>301,580,955</u> | <u>1,399,306,959</u> |
| Fund Balances | | | | |
| Reserved for: | | | | |
| Encumbrances | 630,002,078 | -- | 43,074,666 | 673,076,744 |
| Other | 1,474,808,256 | -- | 5,000,000 | 1,479,808,256 |
| Unreserved: | | | | |
| Designated-continuing appropriations | 1,666,076,951 | -- | 175,427,875 | 1,841,504,826 |
| Unrealized gains | 23,898 | -- | -- | 23,898 |
| Undesignated | 54,311,795 | 239,349 | (4,924,748) | 49,626,396 |
| Total Fund Balances | <u>3,825,222,978</u> | <u>239,349</u> | <u>218,577,793</u> | <u>4,044,040,120</u> |
| Total Liabilities and Fund Balances | <u>\$ 4,918,801,699</u> | <u>\$ 4,386,632</u> | <u>\$ 520,158,748</u> | <u>\$ 5,443,347,079</u> |

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Special Revenue Funds | Debt Service Fund | Capital Projects Funds | Total Non-Major Governmental Funds |
|---|-----------------------------|-------------------------|------------------------------|---|
| REVENUES | | | | |
| Taxes | \$ 1,741,533,617 | \$ -- | \$ -- | \$ 1,741,533,617 |
| Federal and other grants | 83,940,044 | -- | 757,576,687 | 841,516,731 |
| Licenses and fees | 104,555,571 | -- | -- | 104,555,571 |
| Services and assessments | 376,617,000 | -- | 618,225 | 377,235,225 |
| Investment earnings | 51,883,681 | 126,113 | 2,391,664 | 54,401,458 |
| Contributions | 17,953 | -- | -- | 17,953 |
| Other | 435,092,205 | -- | 157,675 | 435,249,880 |
| Total Revenues | 2,793,640,071 | 126,113 | 760,744,251 | 3,554,510,435 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety and criminal justice | 78,628,795 | -- | 16,701,428 | 95,330,223 |
| Physical and mental health | 541,958,943 | -- | 221,616 | 542,180,559 |
| Educational, cultural, and intellectual development | 1,170,188,510 | -- | 192,279 | 1,170,380,789 |
| Community development and environmental management | 253,520,626 | -- | -- | 253,520,626 |
| Economic planning, development, and security | 691,403,822 | -- | 17,897 | 691,421,719 |
| Transportation programs | 121,280,159 | -- | 2,065,447,414 | 2,186,727,573 |
| Government direction, management, and control | 328,752,590 | -- | 9,036,187 | 337,788,777 |
| Special government services | 210,792 | -- | 1,212 | 212,004 |
| Debt Service: | | | | |
| Principal | 18,625,000 | 464,729,412 | -- | 483,354,412 |
| Interest | 234,067,000 | 416,422,779 | -- | 650,489,779 |
| Total Expenditures | 3,438,636,237 | 881,152,191 | 2,091,618,033 | 6,411,406,461 |
| Excess (deficiency) of revenues over expenditures | (644,996,166) | (881,026,078) | (1,330,873,782) | (2,856,896,026) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of bonds | 1,098,310,000 | -- | 41,500,000 | 1,139,810,000 |
| Transfers from (to) other funds | (2,582,329,039) | 891,459,205 | 1,268,757,902 | (422,111,932) |
| Other | 75,428,907 | -- | 1,608,514 | 77,037,421 |
| Total other financing sources (uses) | (1,408,590,132) | 891,459,205 | 1,311,866,416 | 794,735,489 |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (2,053,586,298) | 10,433,127 | (19,007,366) | (2,062,160,537) |
| Fund balances - July 1, 2003 | 5,878,809,276 | (10,193,778) | 237,585,159 | 6,106,200,657 |
| Fund balances - June 30, 2004 | \$ 3,825,222,978 | \$ 239,349 | \$ 218,577,793 | \$ 4,044,040,120 |

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | <u>Alcohol Education, Rehabilitation and Enforcement Fund</u> | <u>Atlantic City Parking Fees Fund</u> | <u>Atlantic City Tourism Promotion Fund</u> |
|--|---|--|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ -- | \$ 2,900,964 | \$ 5,020 |
| Investments | 5,946,532 | 392,457 | 254,354 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | 159,360 | 2,862,884 | 1,763,648 |
| Loans | -- | -- | -- |
| Other | -- | -- | -- |
| Due from other funds | 2,015,213 | -- | -- |
| Other | -- | -- | -- |
| Total Assets | <u>\$ 8,121,105</u> | <u>\$ 6,156,305</u> | <u>\$ 2,023,022</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ 1,068,090 | \$ 1,841,053 | \$ 1,270,650 |
| Deferred revenue | -- | -- | -- |
| Due to other funds | 1,657,499 | 2,862,884 | -- |
| Other | -- | -- | -- |
| Total Liabilities | <u>2,725,589</u> | <u>4,703,937</u> | <u>1,270,650</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | 95,427 | -- | -- |
| Other | -- | -- | -- |
| Unreserved: | | | |
| Designated-continuing appropriations | 5,300,089 | 1,452,368 | 752,372 |
| Unrealized gains | -- | -- | -- |
| Undesignated | -- | -- | -- |
| Total Fund Balances | <u>5,395,516</u> | <u>1,452,368</u> | <u>752,372</u> |
| Total Liabilities and Fund Balances | <u>\$ 8,121,105</u> | <u>\$ 6,156,305</u> | <u>\$ 2,023,022</u> |

| Beaches and Harbor Fund | Board of Bar Examiners | Boarding House Rental Assistance Fund | Body Armor Replacement Fund |
|--|-----------------------------------|--|--|
| \$ 3,139 | \$ 3,813 | \$ 67,268 | \$ 790,552 |
| 863 | 4,705,295 | 438,746 | 5,011,388 |
| -- | -- | -- | -- |
| -- | -- | -- | 352,299 |
| -- | -- | -- | -- |
| 13,704 | -- | -- | -- |
| -- | -- | -- | -- |
| 1,348,353 | -- | -- | -- |
| <u>\$ 1,366,059</u> | <u>\$ 4,709,108</u> | <u>\$ 506,014</u> | <u>\$ 6,154,239</u> |
| \$ -- | \$ 558,704 | \$ 43,391 | \$ 31,274 |
| -- | -- | -- | -- |
| 13,706 | -- | -- | 75,000 |
| -- | -- | -- | -- |
| <u>13,706</u> | <u>558,704</u> | <u>43,391</u> | <u>106,274</u> |
| 4,000 | -- | -- | 266,301 |
| 1,348,353 | -- | -- | -- |
| -- | 4,150,404 | 462,623 | 5,781,664 |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| <u>1,352,353</u> | <u>4,150,404</u> | <u>462,623</u> | <u>6,047,965</u> |
| <u>\$ 1,366,059</u> | <u>\$ 4,709,108</u> | <u>\$ 506,014</u> | <u>\$ 6,154,239</u> |

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | Capital City Redevelopment Loan and Grant Fund | Casino Control Fund | Casino Revenue Fund |
|--|---|------------------------------------|------------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 67,965 | \$ 51,000 | \$ -- |
| Investments | 517,158 | -- | -- |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | -- | 8,036,464 | 37,033,498 |
| Loans | 1,330,368 | -- | -- |
| Other | -- | -- | -- |
| Due from other funds | -- | 15,331,498 | 57,037,169 |
| Other | -- | -- | -- |
| Total Assets | <u>\$ 1,915,491</u> | <u>\$ 23,418,962</u> | <u>\$ 94,070,667</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ 16,609 | \$ 5,148,992 | \$ 25,632,424 |
| Deferred revenue | -- | 10,249,000 | 777,000 |
| Due to other funds | 110,908 | -- | -- |
| Other | -- | -- | -- |
| Total Liabilities | <u>127,517</u> | <u>15,397,992</u> | <u>26,409,424</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | -- | 2,186,893 | 44,883,537 |
| Other | 1,330,368 | -- | -- |
| Unreserved: | | | |
| Designated-continuing appropriations | 457,606 | 946,516 | 30,840 |
| Unrealized gains | -- | -- | -- |
| Undesignated | -- | 4,887,561 | 22,746,866 |
| Total Fund Balances | <u>1,787,974</u> | <u>8,020,970</u> | <u>67,661,243</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,915,491</u> | <u>\$ 23,418,962</u> | <u>\$ 94,070,667</u> |

| Casino Simulcasting Fund | Casino Simulcasting Special Fund | Catastrophic Illness in Children Relief Fund | Clean Communities Account Fund |
|--------------------------------|---|---|---|
| \$ 415,842 | \$ 1,841,836 | \$ 130,172 | \$ 7,428 |
| 442,305 | 3,123,594 | 4,710,167 | 1,897,413 |
| -- | -- | -- | -- |
| -- | -- | 4,667,455 | 37,483 |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | 96,518 | -- |
| -- | -- | -- | -- |
| <u>\$ 858,147</u> | <u>\$ 4,965,430</u> | <u>\$ 9,604,312</u> | <u>\$ 1,942,324</u> |
| \$ -- | \$ -- | \$ 392,050 | \$ 346,513 |
| -- | -- | -- | -- |
| 700,000 | -- | 5,375,913 | -- |
| -- | -- | -- | -- |
| <u>700,000</u> | <u>--</u> | <u>5,767,963</u> | <u>346,513</u> |
| -- | -- | 34,059 | 544 |
| -- | -- | -- | -- |
| 158,147 | 4,965,430 | 3,802,290 | -- |
| -- | -- | -- | -- |
| -- | -- | -- | 1,595,267 |
| <u>158,147</u> | <u>4,965,430</u> | <u>3,836,349</u> | <u>1,595,811</u> |
| <u>\$ 858,147</u> | <u>\$ 4,965,430</u> | <u>\$ 9,604,312</u> | <u>\$ 1,942,324</u> |

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | <u>Clean Waters Fund</u> | <u>Cultural Centers and Historic Preservation Fund</u> | <u>1992 Dam Restoration and Clean Waters Trust Fund</u> |
|--|----------------------------------|--|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 778 | \$ 74,548 | \$ 420,782 |
| Investments | 1,954,088 | 3,241,074 | 5,457,088 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | -- | -- | -- |
| Loans | -- | -- | 9,970,162 |
| Other | -- | -- | 53,747 |
| Due from other funds | -- | -- | -- |
| Other | -- | -- | -- |
| Total Assets | <u>\$ 1,954,866</u> | <u>\$ 3,315,622</u> | <u>\$ 15,901,779</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ -- | \$ 275,185 | \$ -- |
| Deferred revenue | -- | -- | -- |
| Due to other funds | 21,958 | 5,511,641 | -- |
| Other | -- | -- | -- |
| Total Liabilities | <u>21,958</u> | <u>5,786,826</u> | <u>--</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | 181,419 | 2,248,629 | 1,844,452 |
| Other | -- | -- | 9,970,162 |
| Unreserved: | | | |
| Designated-continuing appropriations | 1,751,489 | -- | 2,349,759 |
| Unrealized gains | -- | -- | -- |
| Undesignated | -- | (4,719,833) | 1,737,406 |
| Total Fund Balances | <u>1,932,908</u> | <u>(2,471,204)</u> | <u>15,901,779</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,954,866</u> | <u>\$ 3,315,622</u> | <u>\$ 15,901,779</u> |

| 1989 Development Potential Bank Transfer Fund | Developmental Disabilities Waiting List Reduction Fund | Disciplinary Oversight Committee | Division of Motor Vehicles Surcharge Fund |
|--|---|---|--|
| \$ 20,154 | \$ 140,137 | \$ 3,624,830 | \$ 46,052 |
| 6,497,184 | 28,601,175 | -- | 4,520,147 |
| -- | -- | -- | -- |
| -- | -- | -- | 1,736,175 |
| -- | -- | -- | -- |
| -- | -- | 4,833 | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| <u>\$ 6,517,338</u> | <u>\$ 28,741,312</u> | <u>\$ 3,629,663</u> | <u>\$ 6,302,374</u> |
| \$ -- | \$ 135,271 | \$ 2,033,869 | \$ 6,201,436 |
| -- | -- | -- | -- |
| 74,123 | 353,655 | -- | -- |
| -- | -- | -- | -- |
| <u>74,123</u> | <u>488,926</u> | <u>2,033,869</u> | <u>6,201,436</u> |
| -- | 1,322,827 | -- | -- |
| -- | -- | -- | -- |
| 5,581,632 | 26,929,559 | 1,595,794 | 100,938 |
| -- | -- | -- | -- |
| 861,583 | -- | -- | -- |
| <u>6,443,215</u> | <u>28,252,386</u> | <u>1,595,794</u> | <u>100,938</u> |
| <u>\$ 6,517,338</u> | <u>\$ 28,741,312</u> | <u>\$ 3,629,663</u> | <u>\$ 6,302,374</u> |

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | <u>Dredging and Containment Facility Fund</u> | <u>Drinking Water State Revolving Fund</u> | <u>1996 Economic Development Site Fund</u> |
|--|---|--|--|
| ASSETS | | | |
| Cash and cash equivalents | \$ 19,117 | \$ 3,162,203 | \$ 278,476 |
| Investments | 49,208,451 | 49,250,497 | 2,245,515 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | 34,051 | -- |
| Departmental accounts | -- | -- | -- |
| Loans | -- | 71,224,644 | 4,435,075 |
| Other | -- | -- | -- |
| Due from other funds | -- | -- | -- |
| Other | -- | -- | -- |
| Total Assets | <u>\$ 49,227,568</u> | <u>\$ 123,671,395</u> | <u>\$ 6,959,066</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ -- | \$ 103,602 | \$ -- |
| Deferred revenue | -- | -- | -- |
| Due to other funds | 269,558 | 34,051 | -- |
| Other | -- | -- | -- |
| Total Liabilities | <u>269,558</u> | <u>137,653</u> | <u>--</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | 40,602,774 | 32,418,095 | -- |
| Other | -- | 71,224,644 | 4,435,075 |
| Unreserved: | | | |
| Designated-continuing appropriations | 8,355,236 | 7,436,500 | 2,523,991 |
| Unrealized gains | -- | -- | -- |
| Undesignated | -- | 12,454,503 | -- |
| Total Fund Balances | <u>48,958,010</u> | <u>123,533,742</u> | <u>6,959,066</u> |
| Total Liabilities and Fund Balances | <u>\$ 49,227,568</u> | <u>\$ 123,671,395</u> | <u>\$ 6,959,066</u> |

| Emergency Flood Control Fund | Emergency Medical Technician Training Fund | Emergency Services Fund | Enterprise Zone Assistance Fund |
|---|---|------------------------------------|--|
| \$ 12,787 | \$ 372,271 | \$ 10,356 | \$ 1,858,473 |
| 344,273 | 7,456,667 | 10,457,643 | 195,271,362 |
| -- | -- | -- | -- |
| -- | -- | -- | 3,409,921 |
| -- | -- | 10,000 | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| <u>\$ 357,060</u> | <u>\$ 7,828,938</u> | <u>\$ 10,477,999</u> | <u>\$ 200,539,756</u> |
| \$ -- | \$ 147,225 | \$ 4,867 | \$ -- |
| -- | -- | -- | -- |
| 3,816 | 107,434 | -- | 4,601,072 |
| -- | -- | -- | -- |
| <u>3,816</u> | <u>254,659</u> | <u>4,867</u> | <u>4,601,072</u> |
| -- | 248,879 | 229,114 | 86,328,442 |
| -- | -- | 10,000 | -- |
| 353,244 | 7,325,400 | 9,391,022 | 109,610,242 |
| -- | -- | -- | -- |
| -- | -- | 842,996 | -- |
| <u>353,244</u> | <u>7,574,279</u> | <u>10,473,132</u> | <u>195,938,684</u> |
| <u>\$ 357,060</u> | <u>\$ 7,828,938</u> | <u>\$ 10,477,999</u> | <u>\$ 200,539,756</u> |

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | 1996 Environmental Cleanup Fund | 1989 Farmland Preservation Fund | 1992 Farmland Preservation Fund |
|--|--|--|--|
| ASSETS | | | |
| Cash and cash equivalents | \$ 35,780 | \$ 1,578 | \$ 22,770 |
| Investments | 5,493,678 | 183,506 | 2,659,793 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | -- | -- | -- |
| Loans | -- | -- | -- |
| Other | -- | -- | -- |
| Due from other funds | -- | -- | -- |
| Other | -- | -- | -- |
| Total Assets | <u>\$ 5,529,458</u> | <u>\$ 185,084</u> | <u>\$ 2,682,563</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ 262,903 | \$ -- | \$ -- |
| Deferred revenue | -- | -- | -- |
| Due to other funds | -- | -- | 500,000 |
| Other | -- | -- | -- |
| Total Liabilities | <u>262,903</u> | <u>--</u> | <u>500,000</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | 12,021,448 | -- | -- |
| Other | -- | -- | -- |
| Unreserved: | | | |
| Designated-continuing appropriations | -- | 185,084 | 2,112,074 |
| Unrealized gains | -- | -- | -- |
| Undesignated | (6,754,893) | -- | 70,489 |
| Total Fund Balances | <u>5,266,555</u> | <u>185,084</u> | <u>2,182,563</u> |
| Total Liabilities and Fund Balances | <u>\$ 5,529,458</u> | <u>\$ 185,084</u> | <u>\$ 2,682,563</u> |

| 1995 Farmland Preservation Fund | Fund for Support of Free Public Schools | Garden State Farmland Preservation Trust Fund | Garden State Green Acres Preservation Trust Fund |
|--|--|--|---|
| \$ 131,311 | \$ 8,630 | \$ 272,468 | \$ -- |
| 9,264,923 | 96,962,905 | 210,514,711 | 238,113,288 |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | 17,708,634 |
| -- | 2,877 | -- | 74,764 |
| -- | 4,567,478 | -- | -- |
| -- | -- | -- | -- |
| <u>\$ 9,396,234</u> | <u>\$ 101,541,890</u> | <u>\$ 210,787,179</u> | <u>\$ 255,896,686</u> |
| \$ -- | \$ 5,319 | \$ 372,140 | \$ 4,644,188 |
| -- | -- | -- | -- |
| -- | -- | 1,650,000 | 4,562,188 |
| -- | -- | -- | -- |
| <u>--</u> | <u>5,319</u> | <u>2,022,140</u> | <u>9,206,376</u> |
| 3,363 | -- | 201,816 | 139,228,923 |
| -- | 101,536,571 | -- | 17,708,634 |
| 8,454,133 | -- | 204,241,798 | 89,752,753 |
| -- | -- | -- | -- |
| 938,738 | -- | 4,321,425 | -- |
| <u>9,396,234</u> | <u>101,536,571</u> | <u>208,765,039</u> | <u>246,690,310</u> |
| <u>\$ 9,396,234</u> | <u>\$ 101,541,890</u> | <u>\$ 210,787,179</u> | <u>\$ 255,896,686</u> |

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | Garden State Historic Preservation Trust Fund | Green Trust Fund | Gubernatorial Elections Fund |
|--|--|-----------------------------|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 148,146 | \$ 433,448 | \$ -- |
| Investments | 20,710,459 | 7,680,879 | -- |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | -- | -- | 526,708 |
| Loans | -- | 72,247,865 | -- |
| Other | -- | 294,198 | -- |
| Due from other funds | -- | 5,319,532 | 782,970 |
| Other | -- | -- | -- |
| Total Assets | <u>\$ 20,858,605</u> | <u>\$ 85,975,922</u> | <u>\$ 1,309,678</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ 73,344 | \$ -- | \$ -- |
| Deferred revenue | -- | 15,976 | -- |
| Due to other funds | 311,567 | -- | -- |
| Other | -- | -- | -- |
| Total Liabilities | <u>384,911</u> | <u>15,976</u> | <u>--</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | 11,170,983 | 22,948,591 | -- |
| Other | -- | 72,247,865 | -- |
| Unreserved: | | | |
| Designated-continuing appropriations | 7,644,030 | -- | -- |
| Unrealized gains | -- | -- | -- |
| Undesignated | 1,658,681 | (9,236,510) | 1,309,678 |
| Total Fund Balances | <u>20,473,694</u> | <u>85,959,946</u> | <u>1,309,678</u> |
| Total Liabilities and Fund Balances | <u>\$ 20,858,605</u> | <u>\$ 85,975,922</u> | <u>\$ 1,309,678</u> |

| Hazardous Discharge Fund of 1981 | Hazardous Discharge Fund of 1986 | Hazardous Discharge Site Cleanup Fund | Health Care Subsidy Fund |
|---|---|--|---|
| \$ 711 | \$ -- | \$ 771,119 | \$ 96,403 |
| 182,266 | 15,142,839 | 80,585,274 | 46,792,551 |
| -- | -- | -- | -- |
| -- | -- | 73,398 | 78,534,502 |
| -- | -- | -- | -- |
| -- | -- | 8,302,494 | -- |
| -- | 802,630 | 1,021,700 | 30,596,800 |
| -- | -- | -- | -- |
| <u>\$ 182,977</u> | <u>\$ 15,945,469</u> | <u>\$ 90,753,985</u> | <u>\$ 156,020,256</u> |
| \$ -- | \$ 2,566,991 | \$ 762,774 | \$ -- |
| -- | -- | -- | -- |
| 2,028 | -- | 11,560,991 | 155,678,431 |
| -- | -- | -- | -- |
| <u>2,028</u> | <u>2,566,991</u> | <u>12,323,765</u> | <u>155,678,431</u> |
| -- | 30,485,667 | 29,431,469 | 43,643 |
| -- | -- | 8,302,494 | -- |
| 180,949 | -- | 40,696,257 | 298,182 |
| -- | -- | -- | -- |
| -- | (17,107,189) | -- | -- |
| <u>180,949</u> | <u>13,378,478</u> | <u>78,430,220</u> | <u>341,825</u> |
| <u>\$ 182,977</u> | <u>\$ 15,945,469</u> | <u>\$ 90,753,985</u> | <u>\$ 156,020,256</u> |

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | Higher Education Facility Renovation and Rehabilitation Fund | 1992 Historic Preservation Fund | 1995 Historic Preservation Fund |
|--|---|--|--|
| ASSETS | | | |
| Cash and cash equivalents | \$ 3,356 | \$ 22,263 | \$ 83,389 |
| Investments | 54,955 | 197,601 | 1,061,291 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | -- | -- | -- |
| Loans | -- | -- | -- |
| Other | -- | -- | -- |
| Due from other funds | 1,000,000 | -- | -- |
| Other | -- | -- | -- |
| Total Assets | <u>\$ 1,058,311</u> | <u>\$ 219,864</u> | <u>\$ 1,144,680</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ -- | \$ 158,808 | \$ 7,563 |
| Deferred revenue | -- | -- | -- |
| Due to other funds | -- | -- | -- |
| Other | -- | -- | -- |
| Total Liabilities | <u>--</u> | <u>158,808</u> | <u>7,563</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | 548,781 | 436,867 | 1,126,144 |
| Other | -- | -- | -- |
| Unreserved: | | | |
| Designated-continuing appropriations | 184,575 | -- | 10,973 |
| Unrealized gains | -- | -- | -- |
| Undesignated | 324,955 | (375,811) | -- |
| Total Fund Balances | <u>1,058,311</u> | <u>61,056</u> | <u>1,137,117</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,058,311</u> | <u>\$ 219,864</u> | <u>\$ 1,144,680</u> |

| Historic Preservation Revolving Loan Fund | Horse Racing Injury Compensation Fund | Housing Assistance Fund | Jobs, Education and Competitiveness Fund | Jobs, Science and Technology Fund |
|--|--|-------------------------------|---|---|
| \$ 198,741 | \$ 337,652 | \$ 56,859 | \$ 11,843 | \$ 30 |
| 3,440,526 | 4,533,060 | 4,073,348 | 7,478,561 | 27,304 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 266,381 | -- | 2,528,601 | -- | -- |
| 2,675 | -- | 40,702 | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>\$ 3,908,323</u> | <u>\$ 4,870,712</u> | <u>\$ 6,699,510</u> | <u>\$ 7,490,404</u> | <u>\$ 27,334</u> |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 1,139,186 | 396 |
| 3,139 | -- | -- | -- | -- |
| <u>3,139</u> | <u>--</u> | <u>--</u> | <u>1,139,186</u> | <u>396</u> |
| -- | -- | -- | 3,946,423 | -- |
| 266,381 | -- | 2,528,601 | -- | -- |
| 3,230,052 | 4,870,712 | 4,000,001 | 2,231,860 | 26,938 |
| -- | -- | -- | -- | -- |
| 408,751 | -- | 170,908 | 172,935 | -- |
| <u>3,905,184</u> | <u>4,870,712</u> | <u>6,699,510</u> | <u>6,351,218</u> | <u>26,938</u> |
| <u>\$ 3,908,323</u> | <u>\$ 4,870,712</u> | <u>\$ 6,699,510</u> | <u>\$ 7,490,404</u> | <u>\$ 27,334</u> |

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | Korean Veterans' Memorial Fund | 1996 Lake Restoration Fund | Lead Hazard Control Assistance Fund |
|--|---|---|--|
| ASSETS | | | |
| Cash and cash equivalents | \$ 32,283 | \$ 112,864 | \$ -- |
| Investments | 3,419 | 1,342,762 | -- |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | -- | -- | -- |
| Loans | -- | 1,070,011 | -- |
| Other | -- | -- | -- |
| Due from other funds | -- | -- | 2,000,000 |
| Other | -- | -- | -- |
| Total Assets | <u>\$ 35,702</u> | <u>\$ 2,525,637</u> | <u>\$ 2,000,000</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ -- | \$ -- | \$ -- |
| Deferred revenue | -- | -- | -- |
| Due to other funds | 1,056,575 | -- | -- |
| Other | -- | -- | -- |
| Total Liabilities | <u>1,056,575</u> | <u>--</u> | <u>--</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | -- | 217,124 | -- |
| Other | -- | 1,070,011 | -- |
| Unreserved: | | | |
| Designated-continuing appropriations | -- | 1,006,328 | 2,000,000 |
| Unrealized gains | -- | -- | -- |
| Undesignated | (1,020,873) | 232,174 | -- |
| Total Fund Balances | <u>(1,020,873)</u> | <u>2,525,637</u> | <u>2,000,000</u> |
| Total Liabilities and Fund Balances | <u>\$ 35,702</u> | <u>\$ 2,525,637</u> | <u>\$ 2,000,000</u> |

| Luxury Tax Fund | Mortgage Assistance Fund | Municipal Landfill Closure and Remediation Fund | Mutual Workers' Compensation Security Fund | Natural Resources Fund |
|---------------------|--------------------------------|--|--|------------------------------|
| \$ 6,450 | \$ 1,047 | \$ 40,171 | \$ 60,962 | \$ 101,755 |
| 78,728 | 2,003,758 | -- | 9,939,731 | 3,948,566 |
| -- | -- | -- | -- | -- |
| 6,373,338 | -- | -- | -- | -- |
| -- | 11,842,219 | -- | -- | 31,936 |
| -- | 675,736 | -- | -- | 6,167 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 561,220 |
| <u>\$ 6,458,516</u> | <u>\$ 14,522,760</u> | <u>\$ 40,171</u> | <u>\$ 10,000,693</u> | <u>\$ 4,649,644</u> |
| \$ 4,586,426 | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | 696,475 | -- | -- | 32,081 |
| -- | -- | -- | -- | -- |
| <u>4,586,426</u> | <u>696,475</u> | <u>--</u> | <u>--</u> | <u>32,081</u> |
| -- | -- | -- | -- | 3,176,102 |
| -- | 11,842,219 | -- | -- | 31,936 |
| 1,872,090 | 1,308,930 | 40,171 | 10,000,693 | 1,409,525 |
| -- | -- | -- | -- | -- |
| -- | 675,136 | -- | -- | -- |
| <u>1,872,090</u> | <u>13,826,285</u> | <u>40,171</u> | <u>10,000,693</u> | <u>4,617,563</u> |
| <u>\$ 6,458,516</u> | <u>\$ 14,522,760</u> | <u>\$ 40,171</u> | <u>\$ 10,000,693</u> | <u>\$ 4,649,644</u> |

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | <u>New Home Warranty Security Fund</u> | <u>New Jersey Building Authority</u> | <u>1995 New Jersey Coastal Blue Acres Trust Fund</u> |
|--|--|--|--|
| ASSETS | | | |
| Cash and cash equivalents | \$ 706,775 | \$ -- | \$ 64,304 |
| Investments | 37,901,399 | 88,394,533 | 2,287,750 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | -- | -- | -- |
| Loans | -- | -- | 1,013,865 |
| Other | -- | -- | 5,251 |
| Due from other funds | -- | -- | -- |
| Other | -- | 130,577 | -- |
| Total Assets | <u>\$ 38,608,174</u> | <u>\$ 88,525,110</u> | <u>\$ 3,371,170</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ 2,650 | \$ 2,281,739 | \$ -- |
| Deferred revenue | -- | -- | -- |
| Due to other funds | 3,815,883 | -- | -- |
| Other | -- | 2,387,404 | -- |
| Total Liabilities | <u>3,818,533</u> | <u>4,669,143</u> | <u>--</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | -- | -- | 153,966 |
| Other | -- | -- | 1,013,865 |
| Unreserved: | | | |
| Designated-continuing appropriations | 34,789,641 | 83,855,967 | 2,203,339 |
| Unrealized gains | -- | -- | -- |
| Undesignated | -- | -- | -- |
| Total Fund Balances | <u>34,789,641</u> | <u>83,855,967</u> | <u>3,371,170</u> |
| Total Liabilities and Fund Balances | <u>\$ 38,608,174</u> | <u>\$ 88,525,110</u> | <u>\$ 3,371,170</u> |

| New Jersey Cultural Trust Fund | 1983 New Jersey Green Acres Fund | 1989 New Jersey Green Acres Fund | 1992 New Jersey Green Acres Fund | 1995 New Jersey Green Acres Fund |
|---|---|---|---|---|
| \$ -- | \$ 5,228 | \$ 276,906 | \$ 89,004 | \$ 217,726 |
| 20,783,630 | 19,905,870 | 5,040,163 | 1,672,986 | 6,551,814 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>\$ 20,783,630</u> | <u>\$ 19,911,098</u> | <u>\$ 5,317,069</u> | <u>\$ 1,761,990</u> | <u>\$ 6,769,540</u> |
| \$ 98,971 | \$ -- | \$ -- | \$ 118 | \$ 199,694 |
| -- | -- | -- | -- | -- |
| -- | 221,025 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>98,971</u> | <u>221,025</u> | <u>--</u> | <u>118</u> | <u>199,694</u> |
| 215,031 | 6,655 | 2,319,469 | 140,849 | 3,211,314 |
| -- | -- | -- | -- | -- |
| 20,469,628 | 52,781 | 989,731 | 664,801 | 1,297,509 |
| -- | -- | -- | -- | -- |
| -- | 19,630,637 | 2,007,869 | 956,222 | 2,061,023 |
| <u>20,684,659</u> | <u>19,690,073</u> | <u>5,317,069</u> | <u>1,761,872</u> | <u>6,569,846</u> |
| <u>\$ 20,783,630</u> | <u>\$ 19,911,098</u> | <u>\$ 5,317,069</u> | <u>\$ 1,761,990</u> | <u>\$ 6,769,540</u> |

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | 1989 New Jersey Green Trust Fund | 1992 New Jersey Green Trust Fund | 1995 New Jersey Green Trust Fund |
|--|---|---|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,011,217 | \$ 1,139,230 | \$ 609,524 |
| Investments | 27,770,160 | 19,432,685 | 24,537,738 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | -- | -- | -- |
| Loans | 64,700,931 | 35,597,648 | 51,551,458 |
| Other | 311,821 | 166,190 | 210,332 |
| Due from other funds | -- | -- | -- |
| Other | -- | -- | -- |
| Total Assets | <u>\$ 93,794,129</u> | <u>\$ 56,335,753</u> | <u>\$ 76,909,052</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ -- | \$ -- | \$ -- |
| Deferred revenue | -- | -- | -- |
| Due to other funds | -- | -- | -- |
| Other | -- | -- | -- |
| Total Liabilities | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | 16,130,096 | 17,249,091 | 13,027,133 |
| Other | 64,700,931 | 35,597,648 | 51,551,458 |
| Unreserved: | | | |
| Designated-continuing appropriations | 12,963,102 | 3,489,014 | 12,330,461 |
| Unrealized gains | -- | -- | -- |
| Undesignated | -- | -- | -- |
| Total Fund Balances | <u>93,794,129</u> | <u>56,335,753</u> | <u>76,909,052</u> |
| Total Liabilities and Fund Balances | <u>\$ 93,794,129</u> | <u>\$ 56,335,753</u> | <u>\$ 76,909,052</u> |

| 1995 New Jersey Inland Blue Acres Fund | New Jersey Insolvent Health Maintenance Organization Assistance Fund | New Jersey Lawyers' Assistance Program | New Jersey Lawyers' Fund for Client Protection | New Jersey Local Development Financing Fund |
|---|---|---|---|--|
| \$ 8,626 | \$ 639 | \$ 1,745 | \$ 4,090,740 | \$ -- |
| 1,383,719 | 22,941,519 | 492,974 | 10,449,876 | 19,026,108 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 30,327,203 |
| -- | -- | -- | 60,496 | 306,017 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 2,485 | -- |
| <u>\$ 1,392,345</u> | <u>\$ 22,942,158</u> | <u>\$ 494,719</u> | <u>\$ 14,603,597</u> | <u>\$ 49,659,328</u> |
| \$ -- | \$ -- | \$ 87,674 | \$ 259,551 | \$ -- |
| -- | -- | -- | -- | -- |
| -- | 273,519 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>--</u> | <u>273,519</u> | <u>87,674</u> | <u>259,551</u> | <u>--</u> |
| 65,474 | -- | -- | -- | -- |
| -- | -- | -- | -- | 30,327,203 |
| 759,200 | 22,668,639 | 407,045 | 14,320,148 | 19,332,125 |
| -- | -- | -- | 23,898 | -- |
| 567,671 | -- | -- | -- | -- |
| <u>1,392,345</u> | <u>22,668,639</u> | <u>407,045</u> | <u>14,344,046</u> | <u>49,659,328</u> |
| <u>\$ 1,392,345</u> | <u>\$ 22,942,158</u> | <u>\$ 494,719</u> | <u>\$ 14,603,597</u> | <u>\$ 49,659,328</u> |

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | <u>New Jersey Racing Industry Special Fund</u> | <u>New Jersey Schools Construction Corporation</u> | <u>New Jersey Spill Compensation Fund</u> |
|--|--|--|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 675,005 | \$ 702,766 | \$ 597,724 |
| Investments | 503,659 | 184,450,220 | 21,243,443 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | -- | -- | -- |
| Loans | -- | -- | -- |
| Other | -- | 11,533 | 7,736,133 |
| Due from other funds | -- | -- | -- |
| Other | -- | 963,922 | -- |
| Total Assets | <u>\$ 1,178,664</u> | <u>\$ 186,128,441</u> | <u>\$ 29,577,300</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ -- | \$ 2,076,970 | \$ 177,005 |
| Deferred revenue | -- | -- | -- |
| Due to other funds | -- | -- | 18,326,404 |
| Other | -- | 25,101,838 | -- |
| Total Liabilities | <u>--</u> | <u>27,178,808</u> | <u>18,503,409</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | -- | -- | 3,523,730 |
| Other | -- | 39,849,351 | 7,000,000 |
| Unreserved: | | | |
| Designated-continuing appropriations | 1,178,664 | 119,100,282 | 550,161 |
| Unrealized gains | -- | -- | -- |
| Undesignated | -- | -- | -- |
| Total Fund Balances | <u>1,178,664</u> | <u>158,949,633</u> | <u>11,073,891</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,178,664</u> | <u>\$ 186,128,441</u> | <u>\$ 29,577,300</u> |

| New Jersey Spinal Cord Research Fund | New Jersey Transportation Trust Fund Authority | New Jersey Workforce Development Partnership Fund | Petroleum Overcharge Reimbursement Fund | Pinelands Infrastructure Trust Fund |
|---|---|--|--|--|
| \$ 594,983 | \$ -- | \$ -- | \$ 184,656 | \$ 568,004 |
| 12,963,159 | 51,886,758 | 92,266,342 | 9,882,401 | 4,227,182 |
| -- | -- | -- | -- | -- |
| -- | -- | 28,098,965 | -- | -- |
| -- | -- | -- | 3,575,000 | 4,585,299 |
| -- | -- | -- | -- | 50,340 |
| -- | 32,500,000 | 3,519,027 | -- | -- |
| -- | -- | -- | -- | -- |
| <u>\$ 13,558,142</u> | <u>\$ 84,386,758</u> | <u>\$ 123,884,334</u> | <u>\$ 13,642,057</u> | <u>\$ 9,430,825</u> |
| \$ -- | \$ -- | \$ 4,147,876 | \$ 14,361 | \$ -- |
| -- | -- | -- | 893,588 | -- |
| 322,337 | 140,120,825 | 57,152,881 | -- | -- |
| -- | -- | 16,773 | -- | -- |
| <u>322,337</u> | <u>140,120,825</u> | <u>61,317,530</u> | <u>907,949</u> | <u>--</u> |
| 3,501,659 | -- | 57,701,110 | 504,092 | 73,638 |
| -- | -- | -- | 3,575,000 | 4,585,299 |
| 9,734,146 | -- | 4,865,694 | 8,655,016 | 1,242,327 |
| -- | -- | -- | -- | -- |
| -- | (55,734,067) | -- | -- | 3,529,561 |
| <u>13,235,805</u> | <u>(55,734,067)</u> | <u>62,566,804</u> | <u>12,734,108</u> | <u>9,430,825</u> |
| <u>\$ 13,558,142</u> | <u>\$ 84,386,758</u> | <u>\$ 123,884,334</u> | <u>\$ 13,642,057</u> | <u>\$ 9,430,825</u> |

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | <u>Pollution Prevention Fund</u> | <u>Real Estate Guaranty Fund</u> | <u>Resource Recovery and Solid Waste Disposal Facility Fund</u> |
|--|--|--------------------------------------|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 353,447 | \$ 177,507 | \$ 33,533 |
| Investments | 2,158,903 | 1,009,832 | 529,141 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | 1,172,091 | -- | -- |
| Loans | -- | -- | -- |
| Other | -- | -- | -- |
| Due from other funds | 24,678 | 155,046 | -- |
| Other | -- | -- | -- |
| Total Assets | <u>\$ 3,709,119</u> | <u>\$ 1,342,385</u> | <u>\$ 562,674</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ -- | \$ -- | \$ -- |
| Deferred revenue | -- | -- | -- |
| Due to other funds | 2,622,380 | -- | -- |
| Other | -- | -- | -- |
| Total Liabilities | <u>2,622,380</u> | <u>--</u> | <u>--</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | -- | -- | -- |
| Other | -- | -- | -- |
| Unreserved: | | | |
| Designated-continuing appropriations | 1,086,739 | 1,342,385 | 493,795 |
| Unrealized gains | -- | -- | -- |
| Undesignated | -- | -- | 68,879 |
| Total Fund Balances | <u>1,086,739</u> | <u>1,342,385</u> | <u>562,674</u> |
| Total Liabilities and Fund Balances | <u>\$ 3,709,119</u> | <u>\$ 1,342,385</u> | <u>\$ 562,674</u> |

| Safe Drinking Water Fund | Sanitary Landfill Facility Contingency Fund | Shore Protection Fund | State Disability Benefit Fund | State Land Acquisition and Development Fund |
|---|--|--------------------------------------|--|--|
| \$ 529,118 | \$ 267,469 | \$ 320,779 | \$ 176,929 | \$ 91,618 |
| 4,209,816 | 11,091,637 | 10,169,731 | 107,327,348 | 335,679 |
| -- | -- | -- | -- | -- |
| 925,378 | -- | -- | 190,157,403 | -- |
| -- | -- | 627,135 | -- | -- |
| -- | 157,626 | 73,379 | 545,876 | -- |
| -- | -- | -- | 25,796,383 | -- |
| -- | -- | 85,688 | -- | -- |
| <u>\$ 5,664,312</u> | <u>\$ 11,516,732</u> | <u>\$ 11,276,712</u> | <u>\$ 324,003,939</u> | <u>\$ 427,297</u> |
| \$ 56,773 | \$ 104,313 | \$ -- | \$ 41,534,400 | \$ -- |
| -- | -- | -- | -- | -- |
| 3,762,988 | -- | 190,498 | 63,866,157 | 10,734 |
| -- | -- | -- | 421,733 | -- |
| <u>3,819,761</u> | <u>104,313</u> | <u>190,498</u> | <u>105,822,290</u> | <u>10,734</u> |
| 932,984 | 1,134,772 | 1,138,605 | -- | 808,856 |
| -- | -- | 627,135 | -- | -- |
| 314,634 | 10,277,647 | 1,269,049 | 218,181,649 | -- |
| -- | -- | -- | -- | -- |
| 596,933 | -- | 8,051,425 | -- | (392,293) |
| <u>1,844,551</u> | <u>11,412,419</u> | <u>11,086,214</u> | <u>218,181,649</u> | <u>416,563</u> |
| <u>\$ 5,664,312</u> | <u>\$ 11,516,732</u> | <u>\$ 11,276,712</u> | <u>\$ 324,003,939</u> | <u>\$ 427,297</u> |

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | State Recreation and Conservation Land Acquisition and Development Fund | State Recycling Fund | Stock Workers' Compensation Security Fund |
|--|--|-------------------------------------|--|
| ASSETS | | | |
| Cash and cash equivalents | \$ 68 | \$ 337,887 | \$ 920,382 |
| Investments | 911,598 | 5,707,260 | 23,133,259 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | -- | 74,766 | -- |
| Loans | -- | 1,365,046 | -- |
| Other | -- | -- | -- |
| Due from other funds | -- | -- | -- |
| Other | -- | -- | -- |
| Total Assets | <u>\$ 911,666</u> | <u>\$ 7,484,959</u> | <u>\$ 24,053,641</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ -- | \$ 1,500 | \$ -- |
| Deferred revenue | -- | -- | -- |
| Due to other funds | 12,445 | 949,269 | -- |
| Other | -- | -- | -- |
| Total Liabilities | <u>12,445</u> | <u>950,769</u> | <u>--</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | 582,850 | 97,802 | -- |
| Other | -- | 1,365,046 | -- |
| Unreserved: | | | |
| Designated-continuing appropriations | 316,371 | 1,346,440 | 24,053,641 |
| Unrealized gains | -- | -- | -- |
| Undesignated | -- | 3,724,902 | -- |
| Total Fund Balances | <u>899,221</u> | <u>6,534,190</u> | <u>24,053,641</u> |
| Total Liabilities and Fund Balances | <u>\$ 911,666</u> | <u>\$ 7,484,959</u> | <u>\$ 24,053,641</u> |

| Stormwater Management and Combined Sewer Overflow Abatement Fund | Superior Court of New Jersey Trust Fund | Supplemental Workforce Fund for Basic Skills | Tobacco Settlement Financing Corporation, Inc. | Tobacco Settlement Fund |
|---|--|---|---|--|
| \$ -- | \$ 1,460,997 | \$ -- | \$ 3,694,000 | \$ 13,578 |
| 3,285,219 | 215,094,977 | 25,551,732 | 366,897,000 | 16,404,283 |
| -- | -- | -- | -- | -- |
| -- | -- | 6,919,797 | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 123,704,000 | -- |
| -- | -- | 562,286 | -- | 232,481 |
| -- | -- | -- | -- | -- |
| <u>\$ 3,285,219</u> | <u>\$ 216,555,974</u> | <u>\$ 33,033,815</u> | <u>\$ 494,295,000</u> | <u>\$ 16,650,342</u> |
| \$ 62,224 | \$ 215,302,386 | \$ 2,285,191 | \$ 9,519 | \$ -- |
| -- | -- | -- | 122,572,000 | -- |
| -- | -- | 1,728,992 | 232,481 | 305,454 |
| -- | -- | -- | -- | -- |
| <u>62,224</u> | <u>215,302,386</u> | <u>4,014,183</u> | <u>122,814,000</u> | <u>305,454</u> |
| 5,801,930 | -- | 10,348,986 | -- | -- |
| -- | -- | -- | 371,481,000 | -- |
| -- | 1,253,588 | 18,670,646 | -- | 16,100,000 |
| -- | -- | -- | -- | -- |
| (2,578,935) | -- | -- | -- | 244,888 |
| <u>3,222,995</u> | <u>1,253,588</u> | <u>29,019,632</u> | <u>371,481,000</u> | <u>16,344,888</u> |
| <u>\$ 3,285,219</u> | <u>\$ 216,555,974</u> | <u>\$ 33,033,815</u> | <u>\$ 494,295,000</u> | <u>\$ 16,650,342</u> |

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | <u>Trial Attorney Certification Program</u> | <u>Unclaimed Child Support Trust Fund</u> | <u>Unclaimed Utility Deposits Trust Fund</u> |
|--|---|---|--|
| ASSETS | | | |
| Cash and cash equivalents | \$ 4,789 | \$ 279,742 | \$ 21,600 |
| Investments | 162,964 | 1,907,607 | 1,662,850 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | -- | -- | -- |
| Loans | -- | -- | -- |
| Other | -- | -- | -- |
| Due from other funds | -- | -- | 1,500,000 |
| Other | -- | -- | -- |
| Total Assets | <u>\$ 167,753</u> | <u>\$ 2,187,349</u> | <u>\$ 3,184,450</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ 64,996 | \$ -- | \$ -- |
| Deferred revenue | -- | -- | -- |
| Due to other funds | -- | -- | 20,850 |
| Other | -- | -- | -- |
| Total Liabilities | <u>64,996</u> | <u>--</u> | <u>20,850</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | -- | -- | -- |
| Other | -- | -- | -- |
| Unreserved: | | | |
| Designated-continuing appropriations | 102,757 | 2,187,349 | 3,163,600 |
| Unrealized gains | -- | -- | -- |
| Undesignated | -- | -- | -- |
| Total Fund Balances | <u>102,757</u> | <u>2,187,349</u> | <u>3,163,600</u> |
| Total Liabilities and Fund Balances | <u>\$ 167,753</u> | <u>\$ 2,187,349</u> | <u>\$ 3,184,450</u> |

| Unemployment Compensation Auxiliary Fund | Universal Services Fund | University of Medicine and Dentistry of New Jersey- Self-Insurance Reserve Fund | Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund | Vietnam Veterans' Memorial Fund |
|--|-------------------------------|--|--|---------------------------------------|
| \$ 120 | \$ 170,323 | \$ 283,253 | \$ 244,833 | \$ 14,708 |
| 17,749,753 | 66,870,579 | 2,066,637 | 9,441,707 | 267 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 10,660,834 | -- |
| 4,358,601 | 7,564,184 | -- | -- | -- |
| 138,100 | -- | 5,700,000 | -- | -- |
| -- | -- | -- | -- | -- |
| <u>\$ 22,246,574</u> | <u>\$ 74,605,086</u> | <u>\$ 8,049,890</u> | <u>\$ 20,347,374</u> | <u>\$ 14,975</u> |
| \$ 7,200 | \$ -- | \$ 7,956,052 | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| 21,225,347 | 73,995,500 | -- | -- | -- |
| 81,655 | -- | -- | -- | -- |
| <u>21,314,202</u> | <u>73,995,500</u> | <u>7,956,052</u> | <u>--</u> | <u>--</u> |
| -- | -- | -- | 4,864,402 | -- |
| -- | -- | -- | 10,660,834 | -- |
| 932,372 | 609,586 | 93,838 | 2,348,727 | 14,975 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 2,473,411 | -- |
| <u>932,372</u> | <u>609,586</u> | <u>93,838</u> | <u>20,347,374</u> | <u>14,975</u> |
| <u>\$ 22,246,574</u> | <u>\$ 74,605,086</u> | <u>\$ 8,049,890</u> | <u>\$ 20,347,374</u> | <u>\$ 14,975</u> |

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004**

| | Volunteer Emergency Service Organizations Loan Fund | Wastewater Treatment Fund | 1992 Wastewater Treatment Fund |
|--|--|--|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 364,511 | \$ 386,379 | \$ 1,445,268 |
| Investments | 1,104,302 | 395,393,994 | 9,472,378 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | -- | -- | -- |
| Loans | 1,530,825 | 406,749,258 | 18,699,913 |
| Other | -- | -- | -- |
| Due from other funds | -- | 688,446 | -- |
| Other | -- | -- | -- |
| Total Assets | <u>\$ 2,999,638</u> | <u>\$ 803,218,077</u> | <u>\$ 29,617,559</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ -- | \$ -- | \$ -- |
| Deferred revenue | -- | 688,446 | -- |
| Due to other funds | -- | -- | -- |
| Other | -- | -- | -- |
| Total Liabilities | <u>--</u> | <u>688,446</u> | <u>--</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | -- | 6,026,587 | 3,419,763 |
| Other | 1,530,825 | 406,749,258 | 18,699,913 |
| Unreserved: | | | |
| Designated-continuing appropriations | 1,468,813 | 337,410,686 | 7,497,883 |
| Unrealized gains | -- | -- | -- |
| Undesignated | -- | 52,343,100 | -- |
| Total Fund Balances | <u>2,999,638</u> | <u>802,529,631</u> | <u>29,617,559</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,999,638</u> | <u>\$ 803,218,077</u> | <u>\$ 29,617,559</u> |

| Water Conservation Fund | Water Supply Fund | Water Supply Replacement Trust Fund | Worker and Community Right to Know Fund | Total Non-Major Special Revenue Funds |
|--|----------------------------------|--|--|--|
| \$ 62,840 | \$ 249,668 | \$ 952 | \$ 58,242 | \$ 42,827,334 |
| 922,132 | 52,437,250 | 62,291 | 443,310 | 3,203,927,642 |
| -- | -- | -- | -- | 34,051 |
| -- | -- | -- | 3,052,435 | 375,967,968 |
| 220,219 | 121,419,957 | -- | -- | 945,290,487 |
| 4,572 | 1,443,588 | -- | -- | 156,181,836 |
| -- | -- | -- | 92,181 | 191,480,136 |
| -- | -- | -- | -- | 3,092,245 |
| <u>\$ 1,209,763</u> | <u>\$ 175,550,463</u> | <u>\$ 63,243</u> | <u>\$ 3,646,168</u> | <u>\$ 4,918,801,699</u> |
| \$ -- | \$ 156,137 | \$ -- | \$ -- | 335,578,961 |
| -- | -- | -- | -- | 135,196,010 |
| 24,784 | 3,505,906 | -- | 3,141,413 | 594,791,208 |
| -- | -- | -- | -- | 28,012,542 |
| <u>24,784</u> | <u>3,662,043</u> | <u>--</u> | <u>3,141,413</u> | <u>\$ 1,093,578,721</u> |
| -- | 9,083,935 | 54,563 | -- | 630,002,078 |
| 220,219 | 121,419,957 | -- | -- | 1,474,808,256 |
| 399,134 | 41,384,528 | 8,680 | 504,755 | 1,666,076,951 |
| -- | -- | -- | -- | 23,898 |
| 565,626 | -- | -- | -- | 54,311,795 |
| <u>1,184,979</u> | <u>171,888,420</u> | <u>63,243</u> | <u>504,755</u> | <u>3,825,222,978</u> |
| <u>\$ 1,209,763</u> | <u>\$ 175,550,463</u> | <u>\$ 63,243</u> | <u>\$ 3,646,168</u> | <u>\$ 4,918,801,699</u> |

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Alcohol Education, Rehabilitation and Enforcement Fund | Atlantic City Parking Fees Fund | Atlantic City Tourism Promotion Fund |
|---|---|--|---|
| REVENUES | | | |
| Taxes | \$ 11,000,000 | \$ 34,523,081 | \$ 11,385,860 |
| Federal and other grants | -- | -- | -- |
| Licenses and fees | 1,994,355 | -- | -- |
| Services and assessments | -- | -- | -- |
| Investment earnings | 70,458 | 15,375 | 2,845 |
| Contributions | -- | -- | -- |
| Other | -- | -- | -- |
| Total Revenues | 13,064,813 | 34,538,456 | 11,388,705 |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | 1,667,197 | -- | -- |
| Physical and mental health | 9,030,658 | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | -- |
| Community development and environmental management | -- | -- | -- |
| Economic planning, development, and security | -- | 34,495,386 | 11,385,840 |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | -- | -- | -- |
| Special government services | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | 10,697,855 | 34,495,386 | 11,385,840 |
| Excess (deficiency) of revenues over expenditures | 2,366,958 | 43,070 | 2,865 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | -- | -- |
| Transfers from (to) other funds | (1,657,499) | -- | -- |
| Other | -- | -- | -- |
| Total other financing sources (uses) | (1,657,499) | -- | -- |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 709,459 | 43,070 | 2,865 |
| Fund balances - July 1, 2003 | 4,686,057 | 1,409,298 | 749,507 |
| Fund balances - June 30, 2004 | \$ 5,395,516 | \$ 1,452,368 | \$ 752,372 |

| Beaches and Harbor Fund | Board of Bar Examiners | Boarding House Rental Assistance Fund | Body Armor Replacement Fund |
|--|-----------------------------------|--|--|
| \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- |
| -- | 3,539,721 | -- | -- |
| -- | -- | -- | -- |
| 13,706 | 32,288 | 5,774 | 58,090 |
| -- | -- | -- | -- |
| -- | 50,074 | 79,205 | 4,281,901 |
| <u>13,706</u> | <u>3,622,083</u> | <u>84,979</u> | <u>4,339,991</u> |
| -- | 2,110,012 | -- | 4,112,346 |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | 434,546 |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| <u>--</u> | <u>2,110,012</u> | <u>--</u> | <u>4,546,892</u> |
| <u>13,706</u> | <u>1,512,071</u> | <u>84,979</u> | <u>(206,901)</u> |
| -- | -- | -- | -- |
| (13,706) | -- | -- | (75,000) |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| <u>(13,706)</u> | <u>--</u> | <u>--</u> | <u>(75,000)</u> |
| -- | 1,512,071 | 84,979 | (281,901) |
| 1,352,353 | 2,638,333 | 377,644 | 6,329,866 |
| <u>\$ 1,352,353</u> | <u>\$ 4,150,404</u> | <u>\$ 462,623</u> | <u>\$ 6,047,965</u> |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Capital City Redevelopment Loan and Grant Fund | Casino Control Fund | Casino Revenue Fund |
|---|---|------------------------------------|------------------------------------|
| REVENUES | | | |
| Taxes | \$ -- | \$ -- | \$ 467,281,911 |
| Federal and other grants | -- | -- | -- |
| Licenses and fees | -- | 64,461,079 | -- |
| Services and assessments | -- | -- | -- |
| Investment earnings | 9,851 | 184,809 | 79,047 |
| Contributions | -- | -- | -- |
| Other | 8,230 | -- | 127,930,866 |
| Total Revenues | 18,081 | 64,645,888 | 595,291,824 |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | 36,985,181 | -- |
| Physical and mental health | -- | -- | 507,715,904 |
| Educational, cultural, and intellectual development | -- | -- | 38,307,785 |
| Community development and environmental management | -- | -- | -- |
| Economic planning, development, and security | -- | -- | 2,426,595 |
| Transportation programs | -- | -- | 25,005,840 |
| Government direction, management, and control | -- | 27,895,030 | -- |
| Special government services | -- | -- | 92,953 |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | -- | 64,880,211 | 573,549,077 |
| Excess (deficiency) of revenues over expenditures | 18,081 | (234,323) | 21,742,747 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | -- | -- |
| Transfers from (to) other funds | (110,908) | -- | 700,000 |
| Other | -- | -- | -- |
| Total other financing sources (uses) | (110,908) | -- | 700,000 |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (92,827) | (234,323) | 22,442,747 |
| Fund balances - July 1, 2003 | 1,880,801 | 8,255,293 | 45,218,496 |
| Fund balances - June 30, 2004 | \$ 1,787,974 | \$ 8,020,970 | \$ 67,661,243 |

| Casino Simulcasting Fund | Casino Simulcasting Special Fund | Catastrophic Illness in Children Relief Fund | Clean Communities Account Fund | Clean Waters Fund |
|--------------------------------|---|---|---|-------------------------|
| \$ -- | \$ -- | \$ -- | \$ 14,704,529 | \$ -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | 5,340,122 | -- | -- |
| 14,676 | 42,541 | 89,018 | 48,121 | 21,958 |
| -- | -- | -- | -- | -- |
| 701,923 | 6,658,017 | -- | -- | -- |
| 716,599 | 6,700,558 | 5,429,140 | 14,752,650 | 21,958 |
| -- | 3,866,245 | -- | -- | -- |
| -- | -- | 111,513 | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 20,756,602 | 57,453 |
| -- | -- | -- | -- | -- |
| -- | -- | 6,750,704 | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | 3,866,245 | 6,862,217 | 20,756,602 | 57,453 |
| 716,599 | 2,834,313 | (1,433,077) | (6,003,952) | (35,495) |
| -- | -- | -- | -- | -- |
| (700,000) | -- | (8,125,477) | (3,724,903) | (21,958) |
| -- | -- | -- | -- | -- |
| (700,000) | -- | (8,125,477) | (3,724,903) | (21,958) |
| 16,599 | 2,834,313 | (9,558,554) | (9,728,855) | (57,453) |
| 141,548 | 2,131,117 | 13,394,903 | 11,324,666 | 1,990,361 |
| \$ 158,147 | \$ 4,965,430 | \$ 3,836,349 | \$ 1,595,811 | \$ 1,932,908 |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Cultural Centers and Historic Preservation Fund | 1992 Dam Restoration and Clean Waters Trust Fund | 1989 Development Potential Bank Transfer Fund |
|---|--|---|--|
| REVENUES | | | |
| Taxes | \$ -- | \$ -- | \$ -- |
| Federal and other grants | -- | -- | -- |
| Licenses and fees | -- | -- | -- |
| Services and assessments | -- | -- | -- |
| Investment earnings | 48,482 | 75,085 | 44,278 |
| Contributions | -- | -- | -- |
| Other | -- | 244,905 | -- |
| Total Revenues | 48,482 | 319,990 | 44,278 |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | -- | -- |
| Physical and mental health | -- | -- | -- |
| Educational, cultural, and intellectual development | 559,023 | -- | -- |
| Community development and environmental management | -- | 528 | -- |
| Economic planning, development, and security | 231,618 | -- | -- |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | 31,983 | -- | -- |
| Special government services | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | 822,624 | 528 | -- |
| Excess (deficiency) of revenues over expenditures | (774,142) | 319,462 | 44,278 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | -- | 3,000,000 |
| Transfers from (to) other funds | (192,108) | -- | (74,124) |
| Other | -- | -- | 116,699 |
| Total other financing sources (uses) | (192,108) | -- | 3,042,575 |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (966,250) | 319,462 | 3,086,853 |
| Fund balances - July 1, 2003 | (1,504,954) | 15,582,317 | 3,356,362 |
| Fund balances - June 30, 2004 | \$ (2,471,204) | \$ 15,901,779 | \$ 6,443,215 |

| Developmental Disabilities Waiting List Reduction Fund | Disciplinary Oversight Committee | Division of Motor Vehicles Surcharge Fund | Dredging and Containment Facility Fund | Drinking Water State Revolving Fund |
|---|--|---|--|---|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | 23,106,778 |
| -- | 8,046,830 | -- | -- | -- |
| -- | -- | 136,529,290 | -- | -- |
| 353,655 | 60,829 | 103,419 | 316,810 | 561,131 |
| -- | -- | -- | -- | -- |
| -- | 213,286 | -- | -- | -- |
| 353,655 | 8,320,945 | 136,632,709 | 316,810 | 23,667,909 |
| 216,999 | 7,934,214 | 6,201,436 | -- | -- |
| -- | -- | -- | -- | -- |
| 3,818,781 | -- | -- | -- | -- |
| -- | -- | -- | 314,232 | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 347,645 | -- |
| 521,317 | -- | 137,182,000 | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 4,557,097 | 7,934,214 | 143,383,436 | 661,877 | -- |
| (4,203,442) | 386,731 | (6,750,727) | (345,067) | 23,667,909 |
| 14,000,000 | -- | -- | 38,000,000 | -- |
| (353,655) | -- | -- | (269,558) | 2,043,742 |
| 428,131 | -- | -- | 1,478,188 | -- |
| 14,074,476 | -- | -- | 39,208,630 | 2,043,742 |
| 9,871,034 | 386,731 | (6,750,727) | 38,863,563 | 25,711,651 |
| 18,381,352 | 1,209,063 | 6,851,665 | 10,094,447 | 97,822,091 |
| \$ 28,252,386 | \$ 1,595,794 | \$ 100,938 | \$ 48,958,010 | \$ 123,533,742 |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | 1996 Economic Development Site Fund | Emergency Flood Control Fund | Emergency Medical Technician Training Fund |
|---|--|---|---|
| REVENUES | | | |
| Taxes | \$ -- | \$ -- | \$ -- |
| Federal and other grants | -- | -- | -- |
| Licenses and fees | -- | -- | -- |
| Services and assessments | -- | -- | 2,178,923 |
| Investment earnings | 15,653 | 3,816 | 90,422 |
| Contributions | -- | -- | -- |
| Other | -- | -- | -- |
| Total Revenues | <u>15,653</u> | <u>3,816</u> | <u>2,269,345</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | -- | -- |
| Physical and mental health | -- | -- | 3,290,530 |
| Educational, cultural, and intellectual development | -- | -- | -- |
| Community development and environmental management | -- | -- | -- |
| Economic planning, development, and security | -- | -- | -- |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | 79,957 | -- | -- |
| Special government services | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | <u>79,957</u> | <u>--</u> | <u>3,290,530</u> |
| Excess (deficiency) of revenues over expenditures | <u>(64,304)</u> | <u>3,816</u> | <u>(1,021,185)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | 1,000,000 | -- | -- |
| Transfers from (to) other funds | -- | (3,816) | (107,434) |
| Other | 38,900 | -- | -- |
| Total other financing sources (uses) | <u>1,038,900</u> | <u>(3,816)</u> | <u>(107,434)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>974,596</u> | <u>--</u> | <u>(1,128,619)</u> |
| Fund balances - July 1, 2003 | <u>5,984,470</u> | <u>353,244</u> | <u>8,702,898</u> |
| Fund balances - June 30, 2004 | <u><u>\$ 6,959,066</u></u> | <u><u>\$ 353,244</u></u> | <u><u>\$ 7,574,279</u></u> |

| Emergency Services Fund | Enterprise Zone Assistance Fund | 1996 Environmental Cleanup Fund | 1989 Farmland Preservation Fund | 1992 Farmland Preservation Fund |
|----------------------------|---------------------------------------|--|---------------------------------------|---------------------------------------|
| \$ -- | \$ 79,920,563 | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | 160,000 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 124,156 | 1,952,940 | 16,452 | 2,133 | 70,488 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 124,156 | 82,033,503 | 16,452 | 2,133 | 70,488 |
| 800,000 | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 153,046 | 4,128,811 | 447,112 | 13,585 | 606,896 |
| -- | 42,073,740 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | 15,991 | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 953,046 | 46,202,551 | 463,103 | 13,585 | 606,896 |
| (828,890) | 35,830,952 | (446,651) | (11,452) | (536,408) |
| -- | -- | 5,000,000 | -- | -- |
| -- | (5,152,777) | -- | -- | (500,000) |
| -- | -- | 194,498 | -- | -- |
| -- | (5,152,777) | 5,194,498 | -- | (500,000) |
| (828,890) | 30,678,175 | 4,747,847 | (11,452) | (1,036,408) |
| 11,302,022 | 165,260,509 | 518,708 | 196,536 | 3,218,971 |
| <u>\$ 10,473.132</u> | <u>\$ 195,938,684</u> | <u>\$ 5,266,555</u> | <u>\$ 185,084</u> | <u>\$ 2,182,563</u> |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | 1995 Farmland Preservation Fund | Fund for Support of Free Public Schools | Garden State Farmland Preservation Trust Fund |
|---|--|--|--|
| REVENUES | | | |
| Taxes | \$ -- | \$ -- | \$ -- |
| Federal and other grants | -- | -- | -- |
| Licenses and fees | -- | 7,850,700 | -- |
| Services and assessments | -- | -- | -- |
| Investment earnings | 376,624 | 941,481 | 2,419,560 |
| Contributions | -- | -- | -- |
| Other | -- | -- | 3,109,932 |
| Total Revenues | <u>376,624</u> | <u>8,792,181</u> | <u>5,529,492</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | -- | -- |
| Physical and mental health | -- | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | -- |
| Community development and environmental management | 567,772 | -- | 61,559,478 |
| Economic planning, development, and security | -- | -- | -- |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | -- | -- | -- |
| Special government services | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | <u>567,772</u> | <u>--</u> | <u>61,559,478</u> |
| Excess (deficiency) of revenues over expenditures | <u>(191,148)</u> | <u>8,792,181</u> | <u>(56,029,986)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | -- | -- |
| Transfers from (to) other funds | -- | (3,283,222) | 26,042,116 |
| Other | -- | -- | -- |
| Total other financing sources (uses) | <u>--</u> | <u>(3,283,222)</u> | <u>26,042,116</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>(191,148)</u> | <u>5,508,959</u> | <u>(29,987,870)</u> |
| Fund balances - July 1, 2003 | <u>9,587,382</u> | <u>96,027,612</u> | <u>238,752,909</u> |
| Fund balances - June 30, 2004 | <u><u>\$ 9,396,234</u></u> | <u><u>\$ 101,536,571</u></u> | <u><u>\$ 208,765,039</u></u> |

| Garden State Green Acres Preservation Trust Fund | Garden State Historic Preservation Trust Fund | Garden State Preservation Trust | Green Trust Fund | Gubernatorial Elections Fund |
|---|--|---------------------------------------|----------------------|------------------------------------|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| 450,000 | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 2,797,576 | 183,884 | -- | 76,537 | -- |
| -- | -- | -- | -- | -- |
| 290,991 | -- | -- | 1,260,866 | 603,441 |
| 3,538,567 | 183,884 | -- | 1,337,403 | 603,441 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 101,158,374 | -- | -- | 6,118,085 | -- |
| -- | 2,357,424 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | 23,517,848 | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 101,158,374 | 2,357,424 | 23,517,848 | 6,118,085 | -- |
| (97,619,807) | (2,173,540) | (23,517,848) | (4,780,682) | 603,441 |
| -- | -- | -- | -- | -- |
| 36,975,985 | 5,743,812 | 23,517,848 | -- | -- |
| -- | -- | -- | -- | -- |
| 36,975,985 | 5,743,812 | 23,517,848 | -- | -- |
| (60,643,822) | 3,570,272 | -- | (4,780,682) | 603,441 |
| 307,334,132 | 16,903,422 | -- | 90,740,628 | 706,237 |
| <u>\$ 246,690,310</u> | <u>\$ 20,473,694</u> | <u>\$ --</u> | <u>\$ 85,959,946</u> | <u>\$ 1,309,678</u> |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Hazardous Discharge Fund of 1981 | Hazardous Discharge Fund of 1986 | Hazardous Discharge Site Cleanup Fund |
|---|---|---|--|
| REVENUES | | | |
| Taxes | \$ -- | \$ -- | \$ -- |
| Federal and other grants | -- | -- | -- |
| Licenses and fees | -- | -- | -- |
| Services and assessments | -- | -- | 29,294,059 |
| Investment earnings | 2,028 | 166,982 | 812,398 |
| Contributions | -- | -- | -- |
| Other | -- | -- | -- |
| Total Revenues | 2,028 | 166,982 | 30,106,457 |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | -- | -- |
| Physical and mental health | -- | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | -- |
| Community development and environmental management | -- | 13,335,434 | 4,806,658 |
| Economic planning, development, and security | -- | -- | -- |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | -- | 36,558,361 | -- |
| Special government services | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | -- | 49,893,795 | 4,806,658 |
| Excess (deficiency) of revenues over expenditures | 2,028 | (49,726,813) | 25,299,799 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | 40,000,000 | -- |
| Transfers from (to) other funds | (2,028) | 13,112,581 | (11,357,276) |
| Other | -- | 3,128 | -- |
| Total other financing sources (uses) | (2,028) | 53,115,709 | (11,357,276) |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | -- | 3,388,896 | 13,942,523 |
| Fund balances - July 1, 2003 | 180,949 | 9,989,582 | 64,487,697 |
| Fund balances - June 30, 2004 | \$ 180,949 | \$ 13,378,478 | \$ 78,430,220 |

| Health Care Subsidy Fund | Higher Education Facility Renovation and Rehabilitation Fund | 1992 Historic Preservation Fund | 1995 Historic Preservation Fund | Historic Preservation Revolving Loan Fund |
|--------------------------------|--|---------------------------------------|---------------------------------------|--|
| \$ 485,379,509 | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 39,900,412 | -- | -- | -- | -- |
| 599,140 | 2,209 | 49,228 | 12,613 | 37,973 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 11,435 |
| 525,879,061 | 2,209 | 49,228 | 12,613 | 49,408 |
| -- | -- | -- | -- | -- |
| 20,776,550 | -- | -- | -- | -- |
| -- | 222,145 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | 204,479 | 696,389 | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 20,776,550 | 222,145 | 204,479 | 696,389 | -- |
| 505,102,511 | (219,936) | (155,251) | (683,776) | 49,408 |
| -- | -- | -- | 1,000,000 | -- |
| (511,783,191) | -- | -- | -- | -- |
| -- | -- | -- | 38,900 | -- |
| (511,783,191) | -- | -- | 1,038,900 | -- |
| (6,680,680) | (219,936) | (155,251) | 355,124 | 49,408 |
| 7,022,505 | 1,278,247 | 216,307 | 781,993 | 3,855,776 |
| \$ 341,825 | \$ 1,058,311 | \$ 61,056 | \$ 1,137,117 | \$ 3,905,184 |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Horse Racing Injury Compensation Fund | Housing Assistance Fund | Jobs, Education and Competitiveness Fund |
|---|--|--|---|
| REVENUES | | | |
| Taxes | \$ -- | \$ -- | \$ -- |
| Federal and other grants | -- | -- | -- |
| Licenses and fees | -- | -- | -- |
| Services and assessments | 969,987 | -- | -- |
| Investment earnings | 49,227 | 45,177 | 90,393 |
| Contributions | -- | -- | -- |
| Other | -- | 40,702 | 48,793 |
| Total Revenues | <u>1,019,214</u> | <u>85,879</u> | <u>139,186</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | 467,885 | -- | -- |
| Physical and mental health | -- | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | 1,173,670 |
| Community development and environmental management | -- | -- | -- |
| Economic planning, development, and security | -- | -- | -- |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | -- | -- | 223,878 |
| Special government services | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | <u>467,885</u> | <u>--</u> | <u>1,397,548</u> |
| Excess (deficiency) of revenues over expenditures | <u>551,329</u> | <u>85,879</u> | <u>(1,258,362)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | -- | -- |
| Transfers from (to) other funds | -- | -- | (139,186) |
| Other | -- | -- | -- |
| Total other financing sources (uses) | <u>--</u> | <u>--</u> | <u>(139,186)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>551,329</u> | <u>85,879</u> | <u>(1,397,548)</u> |
| Fund balances - July 1, 2003 | <u>4,319,383</u> | <u>6,613,631</u> | <u>7,748,766</u> |
| Fund balances - June 30, 2004 | <u><u>\$ 4,870,712</u></u> | <u><u>\$ 6,699,510</u></u> | <u><u>\$ 6,351,218</u></u> |

| Jobs, Science and Technology Fund | Korean Veterans' Memorial Fund | 1996 Lake Restoration Fund | Lead Hazard Control Assistance Fund | Legal Services Fund |
|--|---|---|--|------------------------------------|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | 515 | -- | -- | -- |
| -- | -- | -- | -- | 10,409,490 |
| -- | -- | -- | -- | -- |
| 302 | 37 | 14,819 | -- | -- |
| -- | 3,245 | -- | -- | -- |
| -- | -- | 87,257 | -- | -- |
| 302 | 3,797 | 102,076 | -- | 10,409,490 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 1,908 | -- | -- | -- | -- |
| -- | -- | 10,623 | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 1,908 | -- | 10,623 | -- | -- |
| (1,606) | 3,797 | 91,453 | -- | 10,409,490 |
| -- | -- | -- | -- | -- |
| (396) | -- | -- | 2,000,000 | (10,409,490) |
| -- | -- | -- | -- | -- |
| (396) | -- | -- | 2,000,000 | (10,409,490) |
| (2,002) | 3,797 | 91,453 | 2,000,000 | -- |
| 28,940 | (1,024,670) | 2,434,184 | -- | -- |
| \$ 26,938 | \$ (1,020,873) | \$ 2,525,637 | \$ 2,000,000 | \$ -- |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Luxury Tax Fund | Medical Education Facilities Fund | Mortgage Assistance Fund |
|---|----------------------------|--|---|
| REVENUES | | | |
| Taxes | \$ 23,775,169 | \$ -- | \$ -- |
| Federal and other grants | -- | -- | -- |
| Licenses and fees | -- | -- | -- |
| Services and assessments | -- | -- | -- |
| Investment earnings | 868 | 4,982 | 20,989 |
| Contributions | -- | -- | -- |
| Other | -- | -- | 675,486 |
| Total Revenues | 23,776,037 | 4,982 | 696,475 |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | -- | -- |
| Physical and mental health | -- | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | -- |
| Community development and environmental management | -- | -- | -- |
| Economic planning, development, and security | -- | -- | -- |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | 23,775,170 | -- | -- |
| Special government services | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | 23,775,170 | -- | -- |
| Excess (deficiency) of revenues over expenditures | 867 | 4,982 | 696,475 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | -- | -- |
| Transfers from (to) other funds | -- | (519,926) | (696,475) |
| Other | -- | -- | -- |
| Total other financing sources (uses) | -- | (519,926) | (696,475) |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 867 | (514,944) | -- |
| Fund balances - July 1, 2003 | 1,871,223 | 514,944 | 13,826,285 |
| Fund balances - June 30, 2004 | \$ 1,872,090 | \$ -- | \$ 13,826,285 |

| Municipal Landfill Closure and Remediation Fund | Mutual Workers' Compensation Security Fund | Natural Resources Fund | New Home Warranty Security Fund | New Jersey Automobile Insurance Guaranty Fund |
|--|---|---------------------------------------|--|--|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 909,129 | -- |
| -- | 289,121 | -- | 6,235,054 | -- |
| -- | 111,974 | 20,434 | 391,676 | 320,773 |
| -- | -- | -- | -- | -- |
| 112,453 | -- | 11,646 | 208,875 | -- |
| 112,453 | 401,095 | 32,080 | 7,744,734 | 320,773 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 85,779 | -- | 4,479,069 | 927,793 | -- |
| -- | 765,466 | -- | -- | 320,773 |
| -- | -- | -- | -- | -- |
| -- | -- | 972,272 | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 85,779 | 765,466 | 5,451,341 | 927,793 | 320,773 |
| 26,674 | (364,371) | (5,419,261) | 6,816,941 | -- |
| -- | -- | 7,500,000 | -- | -- |
| -- | -- | (32,081) | (3,815,883) | -- |
| -- | -- | 291,748 | -- | -- |
| -- | -- | 7,759,667 | (3,815,883) | -- |
| 26,674 | (364,371) | 2,340,406 | 3,001,058 | -- |
| 13,497 | 10,365,064 | 2,277,157 | 31,788,583 | -- |
| <u>\$ 40,171</u> | <u>\$ 10,000,693</u> | <u>\$ 4,617,563</u> | <u>\$ 34,789,641</u> | <u>\$ --</u> |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | New Jersey Building Authority | 1995 New Jersey Coastal Blue Acres Trust Fund | New Jersey Cultural Trust Fund |
|---|-------------------------------------|---|--------------------------------------|
| REVENUES | | | |
| Taxes | \$ -- | \$ -- | \$ -- |
| Federal and other grants | -- | -- | -- |
| Licenses and fees | -- | -- | -- |
| Services and assessments | -- | -- | -- |
| Investment earnings | 1,592,359 | 9,389 | 231,677 |
| Contributions | -- | -- | -- |
| Other | -- | 32,158 | -- |
| Total Revenues | 1,592,359 | 41,547 | 231,677 |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | -- | -- |
| Physical and mental health | -- | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | -- |
| Community development and environmental management | -- | 428,943 | -- |
| Economic planning, development, and security | -- | -- | -- |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | 64,907,007 | -- | 335,173 |
| Special government services | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | 64,907,007 | 428,943 | 335,173 |
| Excess (deficiency) of revenues over expenditures | (63,314,648) | (387,396) | (103,496) |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | 2,500,000 | -- |
| Transfers from (to) other funds | 29,542,524 | -- | 500,000 |
| Other | -- | 97,249 | -- |
| Total other financing sources (uses) | 29,542,524 | 2,597,249 | 500,000 |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (33,772,124) | 2,209,853 | 396,504 |
| Fund balances - July 1, 2003 | 117,628,091 | 1,161,317 | 20,288,155 |
| Fund balances - June 30, 2004 | \$ 83,855,967 | \$ 3,371,170 | \$ 20,684,659 |

| 1983 New Jersey Green Acres Fund | 1989 New Jersey Green Acres Fund | 1992 New Jersey Green Acres Fund | 1995 New Jersey Green Acres Fund | 1989 New Jersey Green Trust Fund |
|--|--|--|--|--|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 221,025 | 55,947 | 58,243 | 22,919 | 291,471 |
| -- | -- | -- | -- | -- |
| -- | -- | 83,449 | 3,825 | 1,689,621 |
| 221,025 | 55,947 | 141,692 | 26,744 | 1,981,092 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 59,464 | 265,584 | 24,402 | 1,734,381 | 5,014,776 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 191,896 | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 59,464 | 265,584 | 24,402 | 1,926,277 | 5,014,776 |
| 161,561 | (209,637) | 117,290 | (1,899,533) | (3,033,684) |
| -- | -- | -- | 7,500,000 | -- |
| (221,025) | -- | -- | -- | -- |
| -- | -- | -- | 291,748 | -- |
| (221,025) | -- | -- | 7,791,748 | -- |
| (59,464) | (209,637) | 117,290 | 5,892,215 | (3,033,684) |
| 19,749,537 | 5,526,706 | 1,644,582 | 677,631 | 96,827,813 |
| \$ 19,690,073 | \$ 5,317,069 | \$ 1,761,872 | \$ 6,569,846 | \$ 93,794,129 |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | 1992 New Jersey Green Trust Fund | 1995 New Jersey Green Trust Fund | 1995 New Jersey Inland Blue Acres Fund |
|---|--|--|--|
| REVENUES | | | |
| Taxes | \$ -- | \$ -- | \$ -- |
| Federal and other grants | -- | -- | -- |
| Licenses and fees | -- | -- | -- |
| Services and assessments | -- | -- | -- |
| Investment earnings | 133,397 | 21,777 | 16,501 |
| Contributions | -- | -- | -- |
| Other | 777,804 | 810,028 | 5,875 |
| Total Revenues | <u>911,201</u> | <u>831,805</u> | <u>22,376</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | -- | -- |
| Physical and mental health | -- | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | -- |
| Community development and environmental management | 4,139,040 | 3,375,967 | 263,522 |
| Economic planning, development, and security | -- | -- | -- |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | -- | 719,609 | -- |
| Special government services | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | <u>4,139,040</u> | <u>4,095,576</u> | <u>263,522</u> |
| Excess (deficiency) of revenues over expenditures | <u>(3,227,839)</u> | <u>(3,263,771)</u> | <u>(241,146)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | 22,000,000 | 26,000,000 | -- |
| Transfers from (to) other funds | -- | -- | -- |
| Other | 855,793 | 1,011,391 | -- |
| Total other financing sources (uses) | <u>22,855,793</u> | <u>27,011,391</u> | <u>--</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 19,627,954 | 23,747,620 | (241,146) |
| Fund balances - July 1, 2003 | <u>36,707,799</u> | <u>53,161,432</u> | <u>1,633,491</u> |
| Fund balances - June 30, 2004 | <u><u>\$ 56,335,753</u></u> | <u><u>\$ 76,909,052</u></u> | <u><u>\$ 1,392,345</u></u> |

| New Jersey Insolvent Health Maintenance Organization Assistance Fund | New Jersey Lawyers' Assistance Program | New Jersey Lawyers' Fund for Client Protection | New Jersey Local Development Financing Fund | New Jersey Racing Industry Special Fund |
|--|---|---|---|---|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | 370,355 | 2,961,210 | 25,541 | -- |
| -- | -- | -- | -- | 617,631 |
| 273,519 | 2,298 | 242,347 | 178,866 | 1,182 |
| -- | -- | -- | -- | -- |
| -- | 4,767 | 534,997 | 1,431,115 | 7,537,763 |
| 273,519 | 377,420 | 3,738,554 | 1,635,522 | 8,156,576 |
| -- | 393,630 | 3,753,117 | -- | 7,081,281 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 2,776,813 | -- | -- | 2,625,876 | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 2,776,813 | 393,630 | 3,753,117 | 2,625,876 | 7,081,281 |
| (2,503,294) | (16,210) | (14,563) | (990,354) | 1,075,295 |
| -- | -- | -- | -- | -- |
| (273,519) | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| (273,519) | -- | -- | -- | -- |
| (2,776,813) | (16,210) | (14,563) | (990,354) | 1,075,295 |
| 25,445,452 | 423,255 | 14,358,609 | 50,649,682 | 103,369 |
| \$ 22,668,639 | \$ 407,045 | \$ 14,344,046 | \$ 49,659,328 | \$ 1,178,664 |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | New Jersey Schools Construction Corporation | New Jersey Spill Compensation Fund | New Jersey Spinal Cord Research Fund |
|---|--|---|---|
| REVENUES | | | |
| Taxes | \$ -- | \$ 18,289,389 | \$ -- |
| Federal and other grants | -- | -- | -- |
| Licenses and fees | 210,921 | 3,240,424 | -- |
| Services and assessments | -- | -- | -- |
| Investment earnings | 5,488,373 | 195,813 | 131,771 |
| Contributions | -- | -- | -- |
| Other | 94,675 | 793,402 | 4,188,109 |
| Total Revenues | 5,793,969 | 22,519,028 | 4,319,880 |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | -- | -- |
| Physical and mental health | -- | -- | 1,033,788 |
| Educational, cultural, and intellectual development | 1,125,741,956 | -- | -- |
| Community development and environmental management | -- | 2,768,791 | -- |
| Economic planning, development, and security | -- | -- | -- |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | -- | -- | -- |
| Special government services | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | 1,125,741,956 | 2,768,791 | 1,033,788 |
| Excess (deficiency) of revenues over expenditures | (1,119,947,987) | 19,750,237 | 3,286,092 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | -- | -- |
| Transfers from (to) other funds | 607,681,474 | (17,476,404) | (322,337) |
| Other | -- | -- | -- |
| Total other financing sources (uses) | 607,681,474 | (17,476,404) | (322,337) |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (512,266,513) | 2,273,833 | 2,963,755 |
| Fund balances - July 1, 2003 | 671,216,146 | 8,800,058 | 10,272,050 |
| Fund balances - June 30, 2004 | \$ 158,949,633 | \$ 11,073,891 | \$ 13,235,805 |

| New Jersey Transportation Trust Fund Authority | New Jersey Workforce Development Partnership Fund | Petroleum Overcharge Reimbursement Fund | Pinelands Infrastructure Trust Fund | Pollution Prevention Fund |
|---|---|--|---|---------------------------------|
| \$ -- | \$ 86,492,986 | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 1,486,903 |
| 4,522,157 | 770,017 | 115,501 | 46,655 | 29,172 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 159,617 | -- |
| 4,522,157 | 87,263,003 | 115,501 | 206,272 | 1,516,075 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | 363,242 | -- | -- | -- |
| -- | -- | 1,782,472 | 102,660 | -- |
| -- | 35,153,101 | 22,844 | -- | -- |
| 95,926,674 | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 95,926,674 | 35,516,343 | 1,805,316 | 102,660 | -- |
| (91,404,517) | 51,746,660 | (1,689,815) | 103,612 | 1,516,075 |
| 924,810,000 | -- | -- | -- | -- |
| (921,255,305) | (56,983,195) | -- | -- | (2,609,830) |
| 70,349,136 | -- | -- | -- | -- |
| 73,903,831 | (56,983,195) | -- | -- | (2,609,830) |
| (17,500,686) | (5,236,535) | (1,689,815) | 103,612 | (1,093,755) |
| (38,233,381) | 67,803,339 | 14,423,923 | 9,327,213 | 2,180,494 |
| \$ (55,734,067) | \$ 62,566,804 | \$ 12,734,108 | \$ 9,430,825 | \$ 1,086,739 |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Real Estate Guaranty Fund | Resource Recovery and Solid Waste Disposal Facility Fund | Safe Drinking Water Fund |
|---|--------------------------------------|---|---|
| REVENUES | | | |
| Taxes | \$ -- | \$ -- | \$ 3,380,912 |
| Federal and other grants | -- | -- | -- |
| Licenses and fees | 155,046 | -- | -- |
| Services and assessments | -- | -- | -- |
| Investment earnings | 17,666 | 7,159 | 46,542 |
| Contributions | -- | -- | -- |
| Other | -- | 61,720 | 6,570 |
| Total Revenues | 172,712 | 68,879 | 3,434,024 |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | -- | -- |
| Physical and mental health | -- | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | -- |
| Community development and environmental management | -- | -- | 575,536 |
| Economic planning, development, and security | 30,280 | -- | -- |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | -- | -- | -- |
| Special government services | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | 30,280 | -- | 575,536 |
| Excess (deficiency) of revenues over expenditures | 142,432 | 68,879 | 2,858,488 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | -- | -- |
| Transfers from (to) other funds | (1,000,000) | -- | (3,762,989) |
| Other | -- | -- | -- |
| Total other financing sources (uses) | (1,000,000) | -- | (3,762,989) |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (857,568) | 68,879 | (904,501) |
| Fund balances - July 1, 2003 | 2,199,953 | 493,795 | 2,749,052 |
| Fund balances - June 30, 2004 | \$ 1,342,385 | \$ 562,674 | \$ 1,844,551 |

| Sanitary Landfill Facility Contingency Fund | Shore Protection Fund | State Disability Benefit Fund | State Land Acquisition and Development Fund | State Recreation and Conservation Land Acquisition and Development Fund |
|---|-----------------------------|----------------------------------|--|---|
| \$ -- | \$ -- | \$ 481,213,918 | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 2,316,540 | -- | 31,143,139 | -- | -- |
| 124,642 | 113,837 | 1,084,934 | 10,734 | 12,445 |
| -- | -- | -- | -- | -- |
| -- | 76,661 | 51,680 | -- | -- |
| 2,441,182 | 190,498 | 513,493,671 | 10,734 | 12,445 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 171,327 | 5,613 | -- | 526,426 | 649,266 |
| 1,831,654 | -- | 450,168,289 | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 63,965 | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 2,002,981 | 5,613 | 450,168,289 | 590,391 | 649,266 |
| 438,201 | 184,885 | 63,325,382 | (579,657) | (636,821) |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | (190,498) | (62,147,261) | (10,734) | (12,445) |
| -- | -- | -- | -- | -- |
| -- | (190,498) | (62,147,261) | (10,734) | (12,445) |
| 438,201 | (5,613) | 1,178,121 | (590,391) | (649,266) |
| 10,974,218 | 11,091,827 | 217,003,528 | 1,006,954 | 1,548,487 |
| <u>\$ 11,412,419</u> | <u>\$ 11,086,214</u> | <u>\$ 218,181,649</u> | <u>\$ 416,563</u> | <u>\$ 899,221</u> |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | State Recycling Fund | Stock Workers' Compensation Security Fund | Stormwater Management and Combined Sewer Overflow Abatement Fund |
|---|----------------------------|---|--|
| REVENUES | | | |
| Taxes | \$ -- | \$ -- | \$ -- |
| Federal and other grants | -- | -- | -- |
| Licenses and fees | -- | -- | -- |
| Services and assessments | -- | 20,827,569 | -- |
| Investment earnings | 37,556 | 355,579 | 83,658 |
| Contributions | -- | -- | -- |
| Other | 81,168 | -- | -- |
| Total Revenues | <u>118,724</u> | <u>21,183,148</u> | <u>83,658</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | -- | -- |
| Physical and mental health | -- | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | -- |
| Community development and environmental management | 3,041,337 | -- | 3,207,400 |
| Economic planning, development, and security | -- | 39,227,280 | -- |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | -- | -- | 175,904 |
| Special government services | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | <u>3,041,337</u> | <u>39,227,280</u> | <u>3,383,304</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,922,613)</u> | <u>(18,044,132)</u> | <u>(3,299,646)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | -- | -- |
| Transfers from (to) other funds | 2,775,634 | -- | -- |
| Other | -- | -- | -- |
| Total other financing sources (uses) | <u>2,775,634</u> | <u>--</u> | <u>--</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>(146,979)</u> | <u>(18,044,132)</u> | <u>(3,299,646)</u> |
| Fund balances - July 1, 2003 | <u>6,681,169</u> | <u>42,097,773</u> | <u>6,522,641</u> |
| Fund balances - June 30, 2004 | <u><u>\$ 6,534,190</u></u> | <u><u>\$ 24,053,641</u></u> | <u><u>\$ 3,222,995</u></u> |

| Superior Court of New Jersey Trust Fund | Supplemental Workforce Fund for Basic Skills | Tobacco Settlement Financing Corporation, Inc. | Tobacco Settlement Fund | Trial Attorney Certification Program |
|---|---|---|-------------------------------|--|
| \$ -- | \$ 24,185,790 | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 220,520 |
| -- | -- | -- | -- | -- |
| 2,343,255 | 207,265 | 12,354,000 | 305,454 | 2,206 |
| -- | -- | -- | -- | -- |
| -- | -- | 120,191,000 | 122,647,656 | 4,575 |
| 2,343,255 | 24,393,055 | 132,545,000 | 122,953,110 | 227,301 |
| 2,610,077 | 200,000 | -- | -- | 229,175 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | 13,743,563 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | 206,000 | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | 18,625,000 | -- | -- |
| -- | -- | 234,067,000 | -- | -- |
| 2,610,077 | 13,943,563 | 252,898,000 | -- | 229,175 |
| (266,822) | 10,449,492 | (120,353,000) | 122,953,110 | (1,874) |
| -- | -- | -- | -- | -- |
| -- | (1,683,455) | -- | (1,610,782,536) | -- |
| -- | -- | -- | -- | -- |
| -- | (1,683,455) | -- | (1,610,782,536) | -- |
| (266,822) | 8,766,037 | (120,353,000) | (1,487,829,426) | (1,874) |
| 1,520,410 | 20,253,595 | 491,834,000 | 1,504,174,314 | 104,631 |
| \$ 1,253,588 | \$ 29,019,632 | \$ 371,481,000 | \$ 16,344,888 | \$ 102,757 |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Unclaimed Child Support Trust Fund | Unclaimed Utility Deposits Trust Fund | Unemployment Compensation Auxiliary Fund |
|---|--|---|--|
| REVENUES | | | |
| Taxes | \$ -- | \$ -- | \$ -- |
| Federal and other grants | -- | -- | -- |
| Licenses and fees | -- | -- | -- |
| Services and assessments | -- | -- | -- |
| Investment earnings | 21,053 | 20,850 | 105,016 |
| Contributions | -- | -- | -- |
| Other | 34,655 | 4,195,967 | 18,088,004 |
| Total Revenues | <u>55,708</u> | <u>4,216,817</u> | <u>18,193,020</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | -- | -- |
| Physical and mental health | -- | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | -- |
| Community development and environmental management | -- | -- | -- |
| Economic planning, development, and security | -- | -- | -- |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | 7,307 | 4,000,988 | -- |
| Special government services | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | <u>7,307</u> | <u>4,000,988</u> | <u>--</u> |
| Excess (deficiency) of revenues over expenditures | <u>48,401</u> | <u>215,829</u> | <u>18,193,020</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | -- | -- |
| Transfers from (to) other funds | -- | (20,850) | (17,530,000) |
| Other | -- | -- | -- |
| Total other financing sources (uses) | <u>--</u> | <u>(20,850)</u> | <u>(17,530,000)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 48,401 | 194,979 | 663,020 |
| Fund balances - July 1, 2003 | 2,138,948 | 2,968,621 | 269,352 |
| Fund balances - June 30, 2004 | <u><u>\$ 2,187,349</u></u> | <u><u>\$ 3,163,600</u></u> | <u><u>\$ 932,372</u></u> |

| Universal Services Fund | University of Medicine and Dentistry of New Jersey- Self-Insurance Reserve Fund | Unsatisfied Claim and Judgment Fund | Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund | Vietnam Veterans' Memorial Fund |
|-------------------------------|--|---|--|---------------------------------------|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 74,434,507 | 6,500,000 | 14,938,428 | -- | -- |
| 170,579 | 29,638 | 582,347 | 122,044 | 1 |
| -- | -- | -- | -- | 14,708 |
| -- | -- | 385,488 | 18,934 | -- |
| 74,605,086 | 6,529,638 | 15,906,263 | 140,978 | 14,709 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | 27,234,277 | 23,632,135 | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 117,839 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | 27,234,277 | 23,632,135 | -- | 117,839 |
| 74,605,086 | (20,704,639) | (7,725,872) | 140,978 | (103,130) |
| -- | -- | -- | -- | -- |
| (73,995,500) | 17,200,000 | (1,336,854) | -- | -- |
| -- | -- | -- | -- | -- |
| (73,995,500) | 17,200,000 | (1,336,854) | -- | -- |
| 609,586 | (3,504,639) | (9,062,726) | 140,978 | (103,130) |
| -- | 3,598,477 | 9,062,726 | 20,206,396 | 118,105 |
| \$ 609,586 | \$ 93,838 | \$ -- | \$ 20,347,374 | \$ 14,975 |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Volunteer Emergency Service Organizations Loan Fund | Wastewater Treatment Fund | 1992 Wastewater Treatment Fund |
|---|--|---------------------------------|--------------------------------------|
| REVENUES | | | |
| Taxes | \$ -- | \$ -- | \$ -- |
| Federal and other grants | -- | 60,331,513 | -- |
| Licenses and fees | -- | -- | -- |
| Services and assessments | -- | -- | -- |
| Investment earnings | 12,187 | 4,317,603 | 58,431 |
| Contributions | -- | -- | -- |
| Other | 32,805 | -- | 7,992 |
| Total Revenues | <u>44,992</u> | <u>64,649,116</u> | <u>66,423</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | -- | -- |
| Physical and mental health | -- | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | -- |
| Community development and environmental management | -- | 3,688,625 | -- |
| Economic planning, development, and security | -- | -- | -- |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | -- | -- | 185,684 |
| Special government services | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Total Expenditures | <u>--</u> | <u>3,688,625</u> | <u>185,684</u> |
| Excess (deficiency) of revenues over expenditures | <u>44,992</u> | <u>60,960,491</u> | <u>(119,261)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | -- | 6,000,000 |
| Transfers from (to) other funds | -- | (8,755,839) | -- |
| Other | -- | -- | 233,398 |
| Total other financing sources (uses) | <u>--</u> | <u>(8,755,839)</u> | <u>6,233,398</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>44,992</u> | <u>52,204,652</u> | <u>6,114,137</u> |
| Fund balances - July 1, 2003 | <u>2,954,646</u> | <u>750,324,979</u> | <u>23,503,422</u> |
| Fund balances - June 30, 2004 | <u><u>\$ 2,999,638</u></u> | <u><u>\$ 802,529,631</u></u> | <u><u>\$ 29,617,559</u></u> |

| Water Conservation Fund | Water Supply Fund | Water Supply Replacement Trust Fund | Worker and Community Right to Know Fund | Total Non-Major Special Revenue Funds |
|-------------------------|-------------------|-------------------------------------|---|---------------------------------------|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 1,741,533,617 |
| 51,238 | -- | -- | -- | 83,940,044 |
| -- | -- | -- | 250 | 104,555,571 |
| -- | -- | -- | 3,615,315 | 376,617,000 |
| 10,302 | 571,556 | 696 | 23,880 | 51,883,681 |
| -- | -- | -- | -- | 17,953 |
| 14,481 | 4,415,360 | -- | -- | 435,092,205 |
| 76,021 | 4,986,916 | 696 | 3,639,445 | 2,793,640,071 |
| -- | -- | -- | -- | 78,628,795 |
| -- | -- | -- | -- | 541,958,943 |
| -- | -- | -- | -- | 1,170,188,510 |
| 102,475 | 2,057,289 | 8,000 | -- | 253,520,626 |
| -- | -- | -- | -- | 691,403,822 |
| -- | -- | -- | -- | 121,280,159 |
| -- | -- | -- | -- | 328,752,590 |
| -- | -- | -- | -- | 210,792 |
| -- | -- | -- | -- | 18,625,000 |
| -- | -- | -- | -- | 234,067,000 |
| 102,475 | 2,057,289 | 8,000 | -- | 3,438,636,237 |
| (26,454) | 2,929,627 | (7,304) | 3,639,445 | (644,996,166) |
| -- | -- | -- | -- | 1,098,310,000 |
| (24,783) | (3,505,906) | -- | (3,141,413) | (2,582,329,039) |
| -- | -- | -- | -- | 75,428,907 |
| (24,783) | (3,505,906) | -- | (3,141,413) | (1,408,590,132) |
| (51,237) | (576,279) | (7,304) | 498,032 | (2,053,586,298) |
| 1,236,216 | 172,464,699 | 70,547 | 6,723 | 5,878,809,276 |
| \$ 1,184,979 | \$ 171,888,420 | \$ 63,243 | \$ 504,755 | \$ 3,825,222,978 |

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2004**

| | Correctional Facilities Construction Fund | Correctional Facilities Construction Fund of 1987 | Energy Conservation Fund |
|--|--|--|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 22,512 | \$ 28,000 | \$ 6,202 |
| Investments | 581,422 | 2,143,294 | 288,000 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Departmental accounts | -- | -- | -- |
| Loans | -- | -- | -- |
| Other | -- | 104,901 | -- |
| Due from other funds | -- | -- | -- |
| Total Assets | <u>\$ 603,934</u> | <u>\$ 2,276,195</u> | <u>\$ 294,202</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ -- | \$ -- | \$ -- |
| Due to other funds | 6,446 | 378,142 | 881 |
| Total Liabilities | <u>6,446</u> | <u>378,142</u> | <u>881</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | 8,415 | 860,185 | 6,062 |
| Other | -- | -- | -- |
| Unreserved: | | | |
| Designated-continuing appropriations | 589,073 | 1,037,868 | 287,259 |
| Undesignated | -- | -- | -- |
| Total Fund Balances | <u>597,488</u> | <u>1,898,053</u> | <u>293,321</u> |
| Total Liabilities and Fund Balances | <u>\$ 603,934</u> | <u>\$ 2,276,195</u> | <u>\$ 294,202</u> |

| Human Services Facilities Construction Fund | Motor Vehicle Commission Fund | New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund | New Jersey Bridge Rehabilitation and Improvement Fund |
|--|--|---|--|
| \$ 148,675 | \$ 6,017,957 | \$ 6,452 | \$ 1,986 |
| 97,872 | 726,235 | 6,313,010 | 3,675 |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | 152,399,649 | -- | -- |
| -- | -- | -- | -- |
| <u>\$ 246,547</u> | <u>\$ 159,143,841</u> | <u>\$ 6,319,462</u> | <u>\$ 5,661</u> |
| \$ 33,140 | \$ 674,500 | \$ -- | \$ -- |
| 1,700 | 13,030,866 | 154,763 | 41 |
| <u>34,840</u> | <u>13,705,366</u> | <u>154,763</u> | <u>41</u> |
| 28,047 | 1,404,249 | 3,382,623 | -- |
| -- | -- | -- | -- |
| 183,660 | 144,034,226 | 2,782,076 | 5,620 |
| -- | -- | -- | -- |
| <u>211,707</u> | <u>145,438,475</u> | <u>6,164,699</u> | <u>5,620</u> |
| <u>\$ 246,547</u> | <u>\$ 159,143,841</u> | <u>\$ 6,319,462</u> | <u>\$ 5,661</u> |

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2004**

| | Public Purpose Buildings and Community-Based Facilities Construction Fund | Public Purpose Buildings Construction Fund | Special Transportation Fund |
|--|--|---|--|
| ASSETS | | | |
| Cash and cash equivalents | \$ 51,319 | \$ 91,852 | \$ -- |
| Investments | 4,964,369 | 155,926 | -- |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | 136,243,422 |
| Departmental accounts | -- | -- | 837,291 |
| Loans | -- | -- | 5,000,000 |
| Other | -- | -- | 6,258 |
| Due from other funds | -- | -- | 140,120,826 |
| Total Assets | <u>\$ 5,015,688</u> | <u>\$ 247,778</u> | <u>\$ 282,207,797</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ 7,905 | \$ -- | \$ 196,962,937 |
| Due to other funds | 135,056 | 2,285 | 85,244,860 |
| Total Liabilities | <u>142,961</u> | <u>2,285</u> | <u>282,207,797</u> |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances | 512,428 | 608 | -- |
| Other | -- | -- | 5,000,000 |
| Unreserved: | | | |
| Designated-continuing appropriations | 4,360,299 | 244,885 | -- |
| Undesignated | -- | -- | (5,000,000) |
| Total Fund Balances | <u>4,872,727</u> | <u>245,493</u> | <u>--</u> |
| Total Liabilities and Fund Balances | <u>\$ 5,015,688</u> | <u>\$ 247,778</u> | <u>\$ 282,207,797</u> |

| <u>State Facilities for Handicapped Fund</u> | <u>1999 Statewide Transportation and Local Bridge Fund</u> | <u>Transportation Rehabilitation and Improvement Fund</u> | <u>Total Non-Major Capital Projects Funds</u> |
|--|--|---|---|
| \$ 3,271 | \$ 98,696 | \$ 262,476 | \$ 6,739,398 |
| 237,568 | 62,886,894 | 308,738 | 78,707,003 |
| -- | -- | -- | 136,243,422 |
| -- | -- | -- | 837,291 |
| -- | -- | -- | 5,000,000 |
| -- | -- | -- | 152,510,808 |
| -- | -- | -- | 140,120,826 |
| <u>\$ 240,839</u> | <u>\$ 62,985,590</u> | <u>\$ 571,214</u> | <u>\$ 520,158,748</u> |
| \$ -- | \$ 1,544,011 | \$ -- | \$ 199,222,493 |
| -- | 3,400,000 | 3,422 | 102,358,462 |
| -- | 4,944,011 | 3,422 | 301,580,955 |
| -- | 36,872,049 | -- | 43,074,666 |
| -- | -- | -- | 5,000,000 |
| 240,839 | 21,094,278 | 567,792 | 175,427,875 |
| -- | 75,252 | -- | (4,924,748) |
| 240,839 | 58,041,579 | 567,792 | 218,577,793 |
| <u>\$ 240,839</u> | <u>\$ 62,985,590</u> | <u>\$ 571,214</u> | <u>\$ 520,158,748</u> |

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Correctional Facilities Construction Fund | Correctional Facilities Construction Fund of 1987 | Energy Conservation Fund |
|---|--|--|---|
| REVENUES | | | |
| Federal and other grants | \$ -- | \$ -- | \$ -- |
| Services and assessments | -- | -- | -- |
| Investment earnings | 6,446 | 29,764 | 881 |
| Other | -- | 11,062 | -- |
| Total Revenues | 6,446 | 40,826 | 881 |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | 884,335 | -- |
| Physical and mental health | -- | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | -- |
| Economic planning, development, and security | -- | -- | -- |
| Transportation programs | -- | -- | -- |
| Government direction, management, and control | -- | -- | -- |
| Special government services | -- | -- | -- |
| Total Expenditures | -- | 884,335 | -- |
| Excess (deficiency) of revenues over expenditures | 6,446 | (843,509) | 881 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | -- | 500,000 |
| Transfers from (to) other funds | (6,446) | (378,142) | (881) |
| Other | -- | -- | 13,627 |
| Total other financing sources (uses) | (6,446) | (378,142) | 512,746 |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | -- | (1,221,651) | 513,627 |
| Fund balances - July 1, 2003 | 597,488 | 3,119,704 | (220,306) |
| Fund balances - June 30, 2004 | \$ 597,488 | \$ 1,898,053 | \$ 293,321 |

| Human Services Facilities Construction Fund | Institutional Construction Fund | Institutions Construction Fund | Motor Vehicle Commission Fund |
|---|---------------------------------------|--------------------------------------|-------------------------------------|
| \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- |
| 1,700 | 63 | 85 | 1,573,297 |
| 146,613 | -- | -- | -- |
| 148,313 | 63 | 85 | 1,573,297 |
| -- | -- | -- | 13,772,857 |
| -- | -- | -- | -- |
| 99,207 | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | 437,101 |
| 633 | -- | -- | -- |
| 99,840 | -- | -- | 14,209,958 |
| 48,473 | 63 | 85 | (12,636,661) |
| -- | -- | -- | -- |
| (1,700) | (6,800) | (10,108) | -- |
| -- | -- | -- | -- |
| (1,700) | (6,800) | (10,108) | -- |
| 46,773 | (6,737) | (10,023) | (12,636,661) |
| 164,934 | 6,737 | 10,023 | 158,075,136 |
| <u>\$ 211,707</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 145,438,475</u> |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund | New Jersey Bridge Rehabilitation and Improvement Fund | Public Buildings Construction Fund |
|---|---|--|---|
| REVENUES | | | |
| Federal and other grants | \$ -- | \$ -- | \$ -- |
| Services and assessments | -- | -- | -- |
| Investment earnings | 154,763 | 41 | 31 |
| Other | -- | -- | -- |
| Total Revenues | <u>154,763</u> | <u>41</u> | <u>31</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | -- | -- |
| Physical and mental health | -- | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | -- |
| Economic planning, development, and security | -- | -- | -- |
| Transportation programs | 452,046 | -- | -- |
| Government direction, management, and control | -- | 59,725 | -- |
| Special government services | -- | -- | -- |
| Total Expenditures | <u>452,046</u> | <u>59,725</u> | <u>--</u> |
| Excess (deficiency) of revenues over expenditures | <u>(297,283)</u> | <u>(59,684)</u> | <u>31</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | -- | -- | -- |
| Transfers from (to) other funds | (154,763) | (41) | (4,915) |
| Other | -- | -- | -- |
| Total other financing sources (uses) | <u>(154,763)</u> | <u>(41)</u> | <u>(4,915)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>(452,046)</u> | <u>(59,725)</u> | <u>(4,884)</u> |
| Fund balances - July 1, 2003 | <u>6,616,745</u> | <u>65,345</u> | <u>4,884</u> |
| Fund balances - June 30, 2004 | <u><u>\$ 6,164,699</u></u> | <u><u>\$ 5,620</u></u> | <u><u>\$ --</u></u> |

| Public Purpose Buildings and Community-Based Facilities Construction Fund | Public Purpose Buildings Construction Fund | Special Transportation Fund | State Facilities for Handicapped Fund |
|--|---|--|--|
| \$ -- | \$ -- | \$ 757,576,687 | \$ -- |
| -- | -- | 618,225 | -- |
| 135,056 | 2,285 | -- | 2,621 |
| -- | -- | -- | -- |
| <u>135,056</u> | <u>2,285</u> | <u>758,194,912</u> | <u>2,621</u> |
| 2,044,236 | -- | -- | -- |
| 221,616 | -- | -- | -- |
| 63,868 | 29,204 | -- | -- |
| 17,897 | -- | -- | -- |
| -- | -- | 2,031,057,373 | -- |
| 255,861 | -- | -- | -- |
| -- | 579 | -- | -- |
| <u>2,603,478</u> | <u>29,783</u> | <u>2,031,057,373</u> | <u>--</u> |
| <u>(2,468,422)</u> | <u>(27,498)</u> | <u>(1,272,862,461)</u> | <u>2,621</u> |
| -- | -- | -- | -- |
| (135,056) | (2,285) | 1,272,862,461 | -- |
| -- | -- | -- | -- |
| <u>(135,056)</u> | <u>(2,285)</u> | <u>1,272,862,461</u> | <u>--</u> |
| (2,603,478) | (29,783) | -- | 2,621 |
| 7,476,205 | 275,276 | -- | 238,218 |
| <u>\$ 4,872,727</u> | <u>\$ 245,493</u> | <u>\$ --</u> | <u>\$ 240,839</u> |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | 1999 Statewide Transportation and Local Bridge Fund | Transportation Rehabilitation and Improvement Fund | Total Non-Major Capital Projects Funds |
|---|--|--|--|
| REVENUES | | | |
| Federal and other grants | \$ -- | \$ -- | \$ 757,576,687 |
| Services and assessments | -- | -- | 618,225 |
| Investment earnings | 481,209 | 3,422 | 2,391,664 |
| Other | -- | -- | 157,675 |
| Total Revenues | <u>481,209</u> | <u>3,422</u> | <u>760,744,251</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety and criminal justice | -- | -- | 16,701,428 |
| Physical and mental health | -- | -- | 221,616 |
| Educational, cultural, and intellectual development | -- | -- | 192,279 |
| Economic planning, development, and security | -- | -- | 17,897 |
| Transportation programs | 33,937,995 | -- | 2,065,447,414 |
| Government direction, management, and control | 8,283,500 | -- | 9,036,187 |
| Special government services | -- | -- | 1,212 |
| Total Expenditures | <u>42,221,495</u> | <u>--</u> | <u>2,091,618,033</u> |
| Excess (deficiency) of revenues over expenditures | <u>(41,740,286)</u> | <u>3,422</u> | <u>(1,330,873,782)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of bonds | 41,000,000 | -- | 41,500,000 |
| Transfers from (to) other funds | (3,400,000) | (3,422) | 1,268,757,902 |
| Other | 1,594,887 | -- | 1,608,514 |
| Total other financing sources (uses) | <u>39,194,887</u> | <u>(3,422)</u> | <u>1,311,866,416</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>(2,545,399)</u> | <u>--</u> | <u>(19,007,366)</u> |
| Fund balances - July 1, 2003 | <u>60,586,978</u> | <u>567,792</u> | <u>237,585,159</u> |
| Fund balances - June 30, 2004 | <u><u>\$ 58,041,579</u></u> | <u><u>\$ 567,792</u></u> | <u><u>\$ 218,577,793</u></u> |

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**STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR PROPRIETARY FUNDS
JUNE 30, 2004**

| | Health Benefits Local Government Employers Program Fund | Prescription Drug Local Government Employers Program Fund | Total Non-Major Proprietary Funds |
|--------------------------------|--|--|--|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 818,249 | \$ 133,185 | \$ 951,434 |
| Investments | 305,671,011 | 7,998,970 | 313,669,981 |
| Receivables, net of allowances | | | |
| Other | 76,337,117 | 7,697,163 | 84,034,280 |
| Due from other funds | 962,960 | -- | 962,960 |
| Total Assets | 383,789,337 | 15,829,318 | 399,618,655 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | 250,241,143 | 6,330,000 | 256,571,143 |
| Deferred revenue | 4,836,606 | -- | 4,836,606 |
| Due to other funds | 340,857 | 520,859 | 861,716 |
| Total Liabilities | 255,418,606 | 6,850,859 | 262,269,465 |
| NET ASSETS | | | |
| Restricted for: | | | |
| Other purposes | 128,370,731 | 8,978,459 | 137,349,190 |
| Total Net Assets | \$ 128,370,731 | \$ 8,978,459 | \$ 137,349,190 |

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NON-MAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Health Benefits Local Government Employers Program Fund | Prescription Drug Local Government Employers Program Fund | Total Non-Major Proprietary Funds |
|--|--|--|--|
| OPERATING REVENUES | | | |
| Contributions | \$ 1,580,600,568 | \$ 84,034,511 | \$ 1,664,635,079 |
| Other | 14,537,407 | -- | 14,537,407 |
| Total Operating Revenues | <u>1,595,137,975</u> | <u>84,034,511</u> | <u>1,679,172,486</u> |
| OPERATING EXPENSES | | | |
| Benefit payments | <u>1,617,245,564</u> | <u>83,434,793</u> | <u>1,700,680,357</u> |
| Total Operating Expenses | <u>1,617,245,564</u> | <u>83,434,793</u> | <u>1,700,680,357</u> |
| Operating Income (Loss) | <u>(22,107,589)</u> | <u>599,718</u> | <u>(21,507,871)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | <u>2,782,060</u> | <u>59,046</u> | <u>2,841,106</u> |
| Total nonoperating revenue (expenses) | <u>2,782,060</u> | <u>59,046</u> | <u>2,841,106</u> |
| Income (loss) before transfers | <u>(19,325,529)</u> | <u>658,764</u> | <u>(18,666,765)</u> |
| Transfers in (out) | <u>89,583,281</u> | <u>--</u> | <u>89,583,281</u> |
| Change in net assets | <u>70,257,752</u> | <u>658,764</u> | <u>70,916,516</u> |
| Total Net Assets - July 1, 2003 | <u>58,112,979</u> | <u>8,319,695</u> | <u>66,432,674</u> |
| Total Net Assets - June 30, 2004 | <u><u>\$ 128,370,731</u></u> | <u><u>\$ 8,978,459</u></u> | <u><u>\$ 137,349,190</u></u> |

**STATE OF NEW JERSEY
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | Health Benefits Local Government Employers Program Fund | Prescription Drug Local Government Employers Program Fund | Total Non-Major Proprietary Funds |
|---|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts received from customers | \$ 85,326,884 | \$ 515,837 | \$ 85,842,721 |
| Receipts from federal and local agencies | 1,509,854,340 | 82,946,231 | 1,592,800,571 |
| Claims paid | (1,563,358,716) | (82,233,301) | (1,645,592,017) |
| Other receipts (payments) | (3,911,407) | -- | (3,911,407) |
| Net cash provided (used) by operating activities | 27,911,101 | 1,228,767 | 29,139,868 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers in (out) | 89,583,281 | -- | 89,583,281 |
| Net cash provided (used) by noncapital financing activities | 89,583,281 | -- | 89,583,281 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest and dividends | 2,942,092 | 63,872 | 3,005,964 |
| Purchase of investments | (122,796,328) | (1,208,645) | (124,004,973) |
| Other | (160,032) | (4,826) | (164,858) |
| Net cash provided (used) by investing activities | (120,014,268) | (1,149,599) | (121,163,867) |
| Net increase (decrease) in cash and cash equivalents | (2,519,886) | 79,168 | (2,440,718) |
| Cash and cash equivalents - July 1, 2003 | 3,338,135 | 54,017 | 3,392,152 |
| Cash and cash equivalents - June 30, 2004 | \$ 818,249 | \$ 133,185 | \$ 951,434 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | \$ (22,107,589) | \$ 599,718 | \$ (21,507,871) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities | | | |
| Net changes in assets and liabilities: | | | |
| Current assets | 43,248 | (572,443) | (529,195) |
| Current liabilities | 49,975,442 | 1,201,492 | 51,176,934 |
| Net cash provided (used) by operating activities | \$ 27,911,101 | \$ 1,228,767 | \$ 29,139,868 |

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**STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2004**

| | <u>Alternate Benefit Program Fund</u> | <u>Judiciary Bail Fund</u> | <u>Judiciary Child Support and Paternity Fund</u> |
|--|---|------------------------------------|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 261,287 | \$ 842,754 | \$ 4,484,525 |
| Investments | 11,949,036 | 27,108,058 | 22,614,956 |
| Receivables, net of allowances for uncollectibles | | | |
| Employers | -- | -- | -- |
| Departmental accounts | -- | -- | -- |
| Other | 27,651 | 41,822 | -- |
| Due from other funds | <u>8,706,378</u> | <u>--</u> | <u>--</u> |
| Total Assets | <u><u>\$ 20,944,352</u></u> | <u><u>\$ 27,992,634</u></u> | <u><u>\$ 27,099,481</u></u> |
| LIABILITIES | | | |
| Accounts payable | \$ 20,036,372 | \$ 27,992,634 | \$ 27,099,481 |
| Due to other funds | <u>907,980</u> | <u>--</u> | <u>--</u> |
| Total Liabilities | <u><u>\$ 20,944,352</u></u> | <u><u>\$ 27,992,634</u></u> | <u><u>\$ 27,099,481</u></u> |

| Judiciary Probation Fund | Judiciary Special Civil Fund | Luxury Tax Development Fund |
|---|---|--|
| \$ 91,199 | \$ 90,984 | \$ 3,864 |
| 9,830,519 | 3,058,967 | 1,587,165 |
| -- | -- | -- |
| -- | -- | -- |
| -- | -- | -- |
| -- | -- | -- |
| <u>\$ 9,921,718</u> | <u>\$ 3,149,951</u> | <u>\$ 1,591,029</u> |
| 9,921,718 | 3,149,951 | 1,591,029 |
| -- | -- | -- |
| <u>\$ 9,921,718</u> | <u>\$ 3,149,951</u> | <u>\$ 1,591,029</u> |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)
AGENCY FUNDS
JUNE 30, 2004

| | <u>Pension Adjustment Fund</u> | <u>Resource Recovery Investment Tax Fund</u> | <u>Solid Waste Service Tax Fund</u> |
|--|------------------------------------|--|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 688,111 | \$ 100,299 | \$ 444,367 |
| Investments | 3,169,285 | 394,109 | 8,445,801 |
| Receivables, net of allowances for uncollectibles | | | |
| Employers | 2,484,014 | -- | -- |
| Departmental accounts | -- | -- | 457,001 |
| Other | -- | -- | -- |
| Due from other funds | <u>9,543</u> | <u>--</u> | <u>--</u> |
| Total Assets | <u><u>\$ 6,350,953</u></u> | <u><u>\$ 494,408</u></u> | <u><u>\$ 9,347,169</u></u> |
| LIABILITIES | | | |
| Accounts payable | \$ 3,808,277 | \$ 494,408 | \$ 9,347,169 |
| Due to other funds | <u>2,542,676</u> | <u>--</u> | <u>--</u> |
| Total Liabilities | <u><u>\$ 6,350,953</u></u> | <u><u>\$ 494,408</u></u> | <u><u>\$ 9,347,169</u></u> |

| Tourism Improvement and Development Act | Wage and Hour Trust Fund | Total Agency Funds |
|--|-------------------------------------|-----------------------------------|
| \$ 9,775 | \$ 1,189,236 | \$ 8,206,401 |
| 25,204 | 1,123,162 | 89,306,262 |
| -- | -- | 2,484,014 |
| 303,758 | -- | 760,759 |
| -- | -- | 69,473 |
| -- | -- | 8,715,921 |
| <u>\$ 338,737</u> | <u>\$ 2,312,398</u> | <u>\$ 109,542,830</u> |
| \$ 269,737 | \$ 2,306,994 | \$ 106,017,770 |
| 69,000 | 5,404 | 3,525,060 |
| <u>\$ 338,737</u> | <u>\$ 2,312,398</u> | <u>\$ 109,542,830</u> |

**STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | Balance July 1, 2003 | Additions | Deductions | Balance June 30, 2004 |
|---------------------------------------|-------------------------|-----------------------|-----------------------|--------------------------|
| ALTERNATE BENEFIT PROGRAM FUND | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 344,780 | \$ 106,588,461 | \$ 106,671,954 | \$ 261,287 |
| Investments | 14,931,117 | 140,987,768 | 143,969,849 | 11,949,036 |
| Receivables, net - other | 28,170 | 27,651 | 28,170 | 27,651 |
| Due from other funds | 5,091,548 | 8,706,378 | 5,091,548 | 8,706,378 |
| Total Assets | <u>\$ 20,395,615</u> | <u>\$ 256,310,258</u> | <u>\$ 255,761,521</u> | <u>\$ 20,944,352</u> |
| Liabilities | | | | |
| Account Payable | \$ 18,598,669 | \$ 20,771,586 | \$ 19,333,883 | \$ 20,036,372 |
| Due to other funds | 1,796,946 | 907,980 | 1,796,946 | 907,980 |
| Total Liabilities | <u>\$ 20,395,615</u> | <u>\$ 21,679,566</u> | <u>\$ 21,130,829</u> | <u>\$ 20,944,352</u> |

JUDICIARY BAIL FUND

| | | | | |
|---------------------------|----------------------|-----------------------|-----------------------|----------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 237,620 | \$ 182,253,762 | \$ 181,648,628 | \$ 842,754 |
| Investments | 26,083,966 | 17,384,478 | 16,360,386 | 27,108,058 |
| Receivables, net - other | 41,822 | -- | -- | 41,822 |
| Total Assets | <u>\$ 26,363,408</u> | <u>\$ 199,638,240</u> | <u>\$ 198,009,014</u> | <u>\$ 27,992,634</u> |
| Liabilities | | | | |
| Accounts Payable | \$ 26,363,408 | \$ 100,791,639 | \$ 99,162,413 | \$ 27,992,634 |
| Total Liabilities | <u>\$ 26,363,408</u> | <u>\$ 100,791,639</u> | <u>\$ 99,162,413</u> | <u>\$ 27,992,634</u> |

JUDICIARY CHILD SUPPORT AND PATERNITY FUND

| | | | | |
|--------------------------|----------------------|-------------------------|-------------------------|----------------------|
| Assets | | | | |
| Cash | \$ 2,814,909 | \$ 2,517,287,822 | \$ 2,515,618,206 | \$ 4,484,525 |
| Investments | 24,955,050 | 156,642,091 | 158,982,185 | 22,614,956 |
| Total Assets | <u>\$ 27,769,959</u> | <u>\$ 2,673,929,913</u> | <u>\$ 2,674,600,391</u> | <u>\$ 27,099,481</u> |
| Liabilities | | | | |
| Accounts Payable | \$ 27,769,959 | \$ 1,717,638,938 | \$ 1,718,309,416 | \$ 27,099,481 |
| Total Liabilities | <u>\$ 27,769,959</u> | <u>\$ 1,717,638,938</u> | <u>\$ 1,718,309,416</u> | <u>\$ 27,099,481</u> |

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Balance July 1, 2003 | Additions | Deductions | Balance June 30, 2004 |
|-------------------------------------|----------------------------|-----------------------------|-----------------------------|----------------------------|
| JUDICIARY PROBATION FUND | | | | |
| Assets | | | | |
| Cash | \$ -- | \$ 82,470,055 | \$ 82,378,856 | \$ 91,199 |
| Investments | 9,228,518 | 12,339,634 | 11,737,633 | 9,830,519 |
| Total Assets | <u><u>\$ 9,228,518</u></u> | <u><u>\$ 94,809,689</u></u> | <u><u>\$ 94,116,489</u></u> | <u><u>\$ 9,921,718</u></u> |
| Liabilities | | | | |
| Accounts payable | \$ 9,228,518 | \$ 54,460,622 | \$ 53,767,422 | \$ 9,921,718 |
| Total Liabilities | <u><u>\$ 9,228,518</u></u> | <u><u>\$ 54,460,622</u></u> | <u><u>\$ 53,767,422</u></u> | <u><u>\$ 9,921,718</u></u> |
| JUDICIARY SPECIAL CIVIL FUND | | | | |
| Assets | | | | |
| Cash | \$ 229,966 | \$ 71,207,561 | \$ 71,346,543 | \$ 90,984 |
| Investments | 2,698,967 | 13,952,450 | 13,592,450 | 3,058,967 |
| Total Assets | <u><u>\$ 2,928,933</u></u> | <u><u>\$ 85,160,011</u></u> | <u><u>\$ 84,938,993</u></u> | <u><u>\$ 3,149,951</u></u> |
| Liabilities | | | | |
| Accounts payable | \$ 2,928,933 | \$ 51,504,858 | \$ 51,283,840 | \$ 3,149,951 |
| Total Liabilities | <u><u>\$ 2,928,933</u></u> | <u><u>\$ 51,504,858</u></u> | <u><u>\$ 51,283,840</u></u> | <u><u>\$ 3,149,951</u></u> |
| LUXURY TAX DEVELOPMENT FUN | | | | |
| Assets | | | | |
| Cash | \$ 32,877 | \$ 20,000 | \$ 49,013 | \$ 3,864 |
| Investments | 1,589,563 | 17,602 | 20,000 | 1,587,165 |
| Total Assets | <u><u>\$ 1,622,440</u></u> | <u><u>\$ 37,602</u></u> | <u><u>\$ 69,013</u></u> | <u><u>\$ 1,591,029</u></u> |
| Liabilities | | | | |
| Accounts payable | \$ 1,622,440 | \$ 66,615 | \$ 98,026 | \$ 1,591,029 |
| Total Liabilities | <u><u>\$ 1,622,440</u></u> | <u><u>\$ 66,615</u></u> | <u><u>\$ 98,026</u></u> | <u><u>\$ 1,591,029</u></u> |

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Balance July 1, 2003 | Additions | Deductions | Balance June 30, 2004 |
|--------------------------------|-------------------------|----------------------|----------------------|--------------------------|
| PENSION ADJUSTMENT FUND | | | | |
| Assets | | | | |
| Cash | \$ 132,124 | \$ 9,993,552 | \$ 9,437,565 | \$ 688,111 |
| Investments | 4,102,651 | 11,355,614 | 12,288,980 | 3,169,285 |
| Receivables, net - employers | 2,779,531 | 12,159,203 | 12,454,720 | 2,484,014 |
| Due from other funds | 23,463 | 113,790 | 127,710 | 9,543 |
| Total Assets | <u>\$ 7,037,769</u> | <u>\$ 33,622,159</u> | <u>\$ 34,308,975</u> | <u>\$ 6,350,953</u> |
| Liabilities | | | | |
| Accounts payable | \$ 3,807,568 | \$ 3,734 | \$ 3,025 | \$ 3,808,277 |
| Due to other funds | 3,230,201 | 21,941,221 | 22,628,746 | 2,542,676 |
| Total Liabilities | <u>\$ 7,037,769</u> | <u>\$ 21,944,955</u> | <u>\$ 22,631,771</u> | <u>\$ 6,350,953</u> |

**RESOURCE RECOVERY
INVESTMENT TAX FUND**

| | | | | |
|--------------------------|-------------------|-----------------|---------------|-------------------|
| Assets | | | | |
| Cash | \$ 100,299 | \$ 137 | \$ 137 | \$ 100,299 |
| Investments | 389,760 | 4,349 | -- | 394,109 |
| Total Assets | <u>\$ 490,059</u> | <u>\$ 4,486</u> | <u>\$ 137</u> | <u>\$ 494,408</u> |
| Liabilities | | | | |
| Accounts payable | \$ 490,059 | \$ 4,349 | \$ -- | \$ 494,408 |
| Total Liabilities | <u>\$ 490,059</u> | <u>\$ 4,349</u> | <u>\$ --</u> | <u>\$ 494,408</u> |

SOLID WASTE SERVICE TAX FUND

| | | | | |
|---------------------------------|---------------------|----------------------|----------------------|---------------------|
| Assets | | | | |
| Cash | \$ 6,933 | \$ 15,847,923 | \$ 15,410,489 | \$ 444,367 |
| Investments | 9,394,760 | 3,551,040 | 4,499,999 | 8,445,801 |
| Receivables, net - departmental | 374,932 | 457,001 | 374,932 | 457,001 |
| Total Assets | <u>\$ 9,776,625</u> | <u>\$ 19,855,964</u> | <u>\$ 20,285,420</u> | <u>\$ 9,347,169</u> |
| Liabilities | | | | |
| Accounts payable | \$ 9,776,625 | \$ 11,686,815 | \$ 12,116,271 | \$ 9,347,169 |
| Total Liabilities | <u>\$ 9,776,625</u> | <u>\$ 11,686,815</u> | <u>\$ 12,116,271</u> | <u>\$ 9,347,169</u> |

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Balance July 1, 2003 | Additions | Deductions | Balance June 30, 2004 |
|---|-------------------------|-------------------------|-------------------------|--------------------------|
| TOURISM IMPROVEMENT AND DEVELOPMENT FUND | | | | |
| Assets | | | | |
| Cash | \$ 44,719 | \$ 5,526,610 | \$ 5,561,554 | \$ 9,775 |
| Investments | 14,610 | 476,234 | 465,640 | 25,204 |
| Receivables, net - departmental | 174,325 | 303,758 | 174,325 | 303,758 |
| Total Assets | <u>\$ 233,654</u> | <u>\$ 6,306,602</u> | <u>\$ 6,201,519</u> | <u>\$ 338,737</u> |
| Liabilities | | | | |
| Accounts payable | \$ 168,014 | \$ 10,386,875 | \$ 10,285,152 | \$ 269,737 |
| Due to other funds | 65,640 | 69,000 | 65,640 | 69,000 |
| Total Liabilities | <u>\$ 233,654</u> | <u>\$ 10,455,875</u> | <u>\$ 10,350,792</u> | <u>\$ 338,737</u> |
| WAGE AND HOUR TRUST FUND | | | | |
| Assets | | | | |
| Cash | \$ 849,394 | \$ 7,303,727 | \$ 6,963,885 | \$ 1,189,236 |
| Investments | 1,111,891 | 11,271 | -- | 1,123,162 |
| Total Assets | <u>\$ 1,961,285</u> | <u>\$ 7,314,998</u> | <u>\$ 6,963,885</u> | <u>\$ 2,312,398</u> |
| Liabilities | | | | |
| Accounts payable | \$ 1,793,151 | \$ 7,303,727 | \$ 6,789,884 | \$ 2,306,994 |
| Due to other funds | 168,134 | 11,270 | 174,000 | 5,404 |
| Total Liabilities | <u>\$ 1,961,285</u> | <u>\$ 7,314,997</u> | <u>\$ 6,963,884</u> | <u>\$ 2,312,398</u> |
| TOTAL AGENCY FUNDS | | | | |
| Assets | | | | |
| Cash | \$ 4,793,621 | \$ 2,998,499,610 | \$ 2,995,086,830 | \$ 8,206,401 |
| Investments | 94,500,853 | 356,722,531 | 361,917,122 | 89,306,262 |
| Receivables, net - employers | 2,779,531 | 12,159,203 | 12,454,720 | 2,484,014 |
| Receivables, net - departmental | 549,257 | 760,759 | 549,257 | 760,759 |
| Receivables, net - other | 69,992 | 27,651 | 28,170 | 69,473 |
| Due from other funds | 5,115,011 | 8,820,168 | 5,219,258 | 8,715,921 |
| Total Assets | <u>\$ 107,808,265</u> | <u>\$ 3,376,989,922</u> | <u>\$ 3,375,255,357</u> | <u>\$ 109,542,830</u> |
| Liabilities | | | | |
| Accounts payable | \$ 102,547,344 | \$ 1,974,619,758 | \$ 1,971,149,332 | \$ 106,017,770 |
| Due to other funds | 5,260,921 | 22,929,471 | 24,665,332 | 3,525,060 |
| Total Liabilities | <u>\$ 107,808,265</u> | <u>\$ 1,997,549,229</u> | <u>\$ 1,995,814,664</u> | <u>\$ 109,542,830</u> |

**STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2004**

| | Alternate Benefit Long-Term Disability Fund | Central Pension Fund | Consolidated Police and Firemen's Pension Fund |
|---|--|-------------------------------------|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ -- | \$ 8,864 | \$ 127,592 |
| Investments | 3,101,889 | 29,336 | 14,221,242 |
| Receivables, net of allowances for uncollectibles | | | |
| Members | -- | -- | -- |
| Employers | -- | -- | -- |
| Interest and dividends | -- | 7 | 6,540 |
| Due from other funds | -- | 2,383 | 2,313,315 |
| Other | -- | 21,187 | 54,572 |
| Total Assets | 3,101,889 | 61,777 | 16,723,261 |
| LIABILITIES | | | |
| Accounts payable | -- | 2 | 1,041 |
| Benefits payable | -- | 40,985 | 1,321,703 |
| Due to other funds | -- | 20,790 | 21,239 |
| Total Liabilities | -- | 61,777 | 1,343,983 |
| NET ASSETS | | | |
| Held in Trust for Pension Benefits and Other Purposes | <u>\$ 3,101,889</u> | <u>\$ --</u> | <u>\$ 15,379,278</u> |

| Judicial Retirement System | New Jersey State Employees' Deferred Compensation Plan | Police and Firemen's Retirement System |
|---|---|---|
| \$ 15,943 | \$ 281,877 | \$ -- |
| 322,560,760 | 1,354,091,493 | 15,438,648,656 |
| -- | 74,442 | 44,689,622 |
| -- | -- | 390,478,775 |
| 1,366,875 | 3,438,920 | 74,087,774 |
| 66,107 | -- | 2,414,444 |
| 610,046 | 1,106,602 | 489,251,881 |
| 324,619,731 | 1,358,993,334 | 16,439,571,152 |
| 8,496 | 339,893 | 5,979,989 |
| 2,132,462 | 5,377,311 | 78,285,653 |
| 98,613 | -- | 2,109,178 |
| 2,239,571 | 5,717,204 | 86,374,820 |
| <u>\$ 322,380,160</u> | <u>\$ 1,353,276,130</u> | <u>\$ 16,353,196,332</u> |

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STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2004

| | Prison Officers' Pension Fund | Public Employees' Retirement System | State Police Retirement System |
|--|--|--|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 156,955 | \$ -- | \$ -- |
| Investments | 15,668,017 | 21,896,391,180 | 1,656,406,309 |
| Receivables, net of allowances for uncollectibles | | | |
| Members | -- | 51,829,894 | 12,607 |
| Employers | -- | 691,223,689 | -- |
| Interest and dividends | 174,912 | 109,715,145 | 7,279,612 |
| Due from other funds | 105,555 | 7,157,024 | 889,881 |
| Other | -- | 435,129,294 | 30,181,324 |
| Total Assets | <u>16,105,439</u> | <u>23,191,446,226</u> | <u>1,694,769,733</u> |
| LIABILITIES | | | |
| Accounts payable | 67 | 32,066,050 | 102,063 |
| Benefits payable | 218,217 | 122,251,210 | 7,346,988 |
| Due to other funds | <u>2,727</u> | <u>3,776,559</u> | <u>235,786</u> |
| Total Liabilities | <u>221,011</u> | <u>158,093,819</u> | <u>7,684,837</u> |
| NET ASSETS | | | |
| Held in Trust for Pension Benefits and Other Purposes | <u><u>\$ 15,884,428</u></u> | <u><u>\$ 23,033,352,407</u></u> | <u><u>\$ 1,687,084,896</u></u> |

| Supplemental Annuity Collective Trust | Teachers' Pension and Annuity Fund | Total Pension and Other Employee Benefits Trust Funds |
|--|---|--|
| \$ -- | \$ -- | \$ 591,231 |
| 145,961,548 | 28,392,825,000 | 69,239,905,430 |
| 396,599 | 75,568,523 | 172,571,687 |
| -- | 64,184,372 | 1,145,886,836 |
| 180,200 | 134,607,641 | 330,857,626 |
| 33,329 | 66,269 | 13,048,307 |
| 15,436 | 226,851,307 | 1,183,221,649 |
| <u>146,587,112</u> | <u>28,894,103,112</u> | <u>72,086,082,766</u> |
| 1,065,789 | 20,002,837 | 59,566,227 |
| 474,212 | 150,270,425 | 367,719,166 |
| 6,022 | 3,679,820 | 9,950,734 |
| <u>1,546,023</u> | <u>173,953,082</u> | <u>437,236,127</u> |
| <u><u>\$ 145,041,089</u></u> | <u><u>\$ 28,720,150,030</u></u> | <u><u>\$ 71,648,846,639</u></u> |

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Alternate Benefit Long-Term Disability Fund | Central Pension Fund | Consolidated Police and Firemen's Pension Fund |
|--|--|-------------------------------------|---|
| ADDITIONS | | | |
| Contributions: | | | |
| Members | \$ -- | \$ -- | \$ -- |
| Employers | 2,000,000 | 425,229 | 2,000,402 |
| Other | -- | 29,716 | 10,054,671 |
| Total Contributions | <u>2,000,000</u> | <u>454,945</u> | <u>12,055,073</u> |
| Investment Income: | | | |
| Net increase (decrease) in fair value of investments | (2,204) | (11) | (84,541) |
| Interest and dividends | <u>44,629</u> | <u>798</u> | <u>245,771</u> |
| Total Investment Income | 42,425 | 787 | 161,230 |
| Less investment expense | <u>--</u> | <u>--</u> | <u>8,966</u> |
| Net Investment Income | <u>42,425</u> | <u>787</u> | <u>152,264</u> |
| Total Additions | <u>2,042,425</u> | <u>455,732</u> | <u>12,207,337</u> |
| DEDUCTIONS | | | |
| Benefit payments | 1,859,858 | 435,528 | 16,829,838 |
| Refunds of contributions | -- | 20,204 | -- |
| Administrative expense | <u>--</u> | <u>--</u> | <u>28,831</u> |
| Total Deductions | <u>1,859,858</u> | <u>455,732</u> | <u>16,858,669</u> |
| Total Changes in Net Assets Held In Trust | 182,567 | -- | (4,651,332) |
| Net Assets - July 1, 2003 | <u>2,919,322</u> | <u>--</u> | <u>20,030,610</u> |
| Net Assets - June 30, 2004 | <u><u>\$ 3,101,889</u></u> | <u><u>\$ --</u></u> | <u><u>\$ 15,379,278</u></u> |

| Judicial Retirement System | New Jersey State Employees' Deferred Compensation Plan | Police and Firemen's Retirement System |
|---|---|---|
| \$ 1,795,721 | \$ 129,545,400 | \$ 263,173,065 |
| 5,084,315 | -- | 264,164,091 |
| -- | -- | -- |
| 6,880,036 | 129,545,400 | 527,337,156 |
| 35,511,678 | 121,397,297 | 1,498,740,652 |
| 7,982,171 | 25,438,930 | 445,907,716 |
| 43,493,849 | 146,836,227 | 1,944,648,368 |
| 17,676 | 200,538 | 1,010,059 |
| 43,476,173 | 146,635,689 | 1,943,638,309 |
| 50,356,209 | 276,181,089 | 2,470,975,465 |
| 27,064,394 | 58,415,128 | 987,055,680 |
| 139,889 | -- | 7,148,274 |
| 169,824 | 809,953 | 3,530,770 |
| 27,374,107 | 59,225,081 | 997,734,724 |
| 22,982,102 | 216,956,008 | 1,473,240,741 |
| 299,398,058 | 1,136,320,122 | 14,879,955,591 |
| <u>\$ 322,380,160</u> | <u>\$ 1,353,276,130</u> | <u>\$ 16,353,196,332</u> |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (Continued)
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Prison Officers' Pension Fund | Public Employees' Retirement System | State Police Retirement System |
|--|--|--|---|
| ADDITIONS | | | |
| Contributions: | | | |
| Members | \$ -- | \$ 374,864,048 | \$ 14,682,524 |
| Employers | -- | 774,452,373 | 45,339 |
| Other | 1,264,147 | 4,592 | 66 |
| Total Contributions | <u>1,264,147</u> | <u>1,149,321,013</u> | <u>14,727,929</u> |
| Investment Income: | | | |
| Net increase (decrease) in fair value of investments | (590,765) | 2,098,412,036 | 174,220,969 |
| Interest and dividends | 691,732 | 684,378,221 | 42,080,833 |
| Total Investment Income | 100,967 | 2,782,790,257 | 216,301,802 |
| Less investment expense | 1,785 | 4,147,000 | 92,811 |
| Net Investment Income | <u>99,182</u> | <u>2,778,643,257</u> | <u>216,208,991</u> |
| Total Additions | <u>1,363,329</u> | <u>3,927,964,270</u> | <u>230,936,920</u> |
| DEDUCTIONS | | | |
| Benefit payments | 2,750,556 | 1,771,806,236 | 89,272,063 |
| Refunds of contributions | -- | 65,677,159 | 53,968 |
| Administrative expense | 6,298 | 18,619,582 | 264,858 |
| Total Deductions | <u>2,756,854</u> | <u>1,856,102,977</u> | <u>89,590,889</u> |
| Total Changes in Net Assets Held In Trust | (1,393,525) | 2,071,861,293 | 141,346,031 |
| Net Assets - July 1, 2003 | <u>17,277,953</u> | <u>20,961,491,114</u> | <u>1,545,738,865</u> |
| Net Assets - June 30, 2004 | <u><u>\$ 15,884,428</u></u> | <u><u>\$ 23,033,352,407</u></u> | <u><u>\$ 1,687,084,896</u></u> |

| Supplemental Annuity Collective Trust | Teachers' Pension and Annuity Fund | Total Pension and Other Employee Benefits Trust Funds |
|--|---|--|
| \$ 7,217,751 | \$ 405,695,555 | \$ 1,196,974,064 |
| -- | 456,411,646 | 1,504,583,395 |
| -- | -- | 11,353,192 |
| <u>7,217,751</u> | <u>862,107,201</u> | <u>2,712,910,651</u> |
| 21,166,968 | 2,884,956,057 | 6,833,728,136 |
| <u>2,541,301</u> | <u>770,232,906</u> | <u>1,979,545,008</u> |
| 23,708,269 | 3,655,188,963 | 8,813,273,144 |
| -- | 2,591,150 | 8,069,985 |
| <u>23,708,269</u> | <u>3,652,597,813</u> | <u>8,805,203,159</u> |
| <u>30,926,020</u> | <u>4,514,705,014</u> | <u>11,518,113,810</u> |
| -- | 2,306,188,800 | 5,261,678,081 |
| 14,651,852 | 28,737,720 | 116,429,066 |
| -- | 8,788,960 | 32,219,076 |
| <u>14,651,852</u> | <u>2,343,715,480</u> | <u>5,410,326,223</u> |
| 16,274,168 | 2,170,989,534 | 6,107,787,587 |
| 128,766,921 | 26,549,160,496 | 65,541,059,052 |
| <u>\$ 145,041,089</u> | <u>\$ 28,720,150,030</u> | <u>\$ 71,648,846,639</u> |

**STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2004**

| | Insurance Annuity Trust Fund | Motor Vehicle Security Responsibility Fund |
|--|---|---|
| ASSETS | | |
| Cash and cash equivalents | \$ 100 | \$ 24,293 |
| Investments | 93,434 | 237,186 |
| Total Assets | 93,534 | 261,479 |
| LIABILITIES | | |
| Accounts payable | -- | 258,751 |
| Due to other funds | -- | 2,629 |
| Total Liabilities | -- | 261,380 |
| NET ASSETS | | |
| Held in Trust for Pension Benefits and Other Purposes | \$ 93,534 | \$ 99 |

| Unclaimed County Deposits Trust Fund | Unclaimed Insurance Payments on Deposit Accounts Fund | Total Private Purpose Trust Funds |
|---|--|--|
| <hr/> | <hr/> | <hr/> |
| \$ 675,639 | \$ 17,869 | \$ 717,901 |
| 8,883,290 | 1,944,378 | 11,158,288 |
| <hr/> | <hr/> | <hr/> |
| 9,558,929 | 1,962,247 | 11,876,189 |
| <hr/> | <hr/> | <hr/> |
| 2,490,224 | -- | 2,748,975 |
| 3,320,300 | 21,778 | 3,344,707 |
| <hr/> | <hr/> | <hr/> |
| 5,810,524 | 21,778 | 6,093,682 |
| <hr/> | <hr/> | <hr/> |
| | | |
| <hr/> | <hr/> | <hr/> |
| <u>\$ 3,748,405</u> | <u>\$ 1,940,469</u> | <u>\$ 5,782,507</u> |

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | Insurance Annuity Trust Fund | Motor Vehicle Security Responsibility Fund |
|--|---|---|
| ADDITIONS | | |
| Investment Income: | | |
| Interest and dividends | \$ 964 | \$ 2,629 |
| Total Investment Income | 964 | 2,629 |
| Miscellaneous | 6,000 | -- |
| Total Additions | 6,964 | 2,629 |
| DEDUCTIONS | | |
| Refunds and transfers to other systems | -- | 2,629 |
| Payments in accordance with trust agreements | -- | -- |
| Total Deductions | -- | 2,629 |
| Total Changes in Net Assets Held In Trust | 6,964 | -- |
| Net Assets - July 1, 2003 | 86,570 | 99 |
| Net Assets - June 30, 2004 | <u>\$ 93,534</u> | <u>\$ 99</u> |

| Unclaimed County Deposits Trust Fund | Unclaimed Insurance Payments on Deposit Accounts Fund | Total Private Purpose Trust Funds |
|---|--|--|
| <u>\$ 91,710</u> | <u>\$ 21,778</u> | <u>\$ 117,081</u> |
| 91,710 | 21,778 | 117,081 |
| <u>279,146</u> | <u>1,596</u> | <u>286,742</u> |
| <u>370,856</u> | <u>23,374</u> | <u>403,823</u> |
| -- | 21,778 | 24,407 |
| <u>39,741</u> | <u>41,024</u> | <u>80,765</u> |
| <u>39,741</u> | <u>62,802</u> | <u>105,172</u> |
| 331,115 | (39,428) | 298,651 |
| <u>3,417,290</u> | <u>1,979,897</u> | <u>5,483,856</u> |
| <u><u>\$ 3,748,405</u></u> | <u><u>\$ 1,940,469</u></u> | <u><u>\$ 5,782,507</u></u> |

**STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS
JUNE 30, 2004**

| | <u>Authorities</u> | <u>Colleges and Universities</u> | <u>Total Non-Major Component Units</u> |
|---|-------------------------|--|--|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 594,630,394 | \$ 177,416,245 | \$ 772,046,639 |
| Investments | 3,630,374,659 | 1,075,508,538 | 4,705,883,197 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | 10,283,117 | 19,983,978 | 30,267,095 |
| Loans | 1,448,368,305 | 15,631,011 | 1,463,999,316 |
| Mortgages | 2,011,671,077 | -- | 2,011,671,077 |
| Other | 1,468,758,578 | 48,676,502 | 1,517,435,080 |
| Due from external parties | 4,775,056 | 9,607,086 | 14,382,142 |
| Inventories | 41,549 | 1,192,783 | 1,234,332 |
| Other | 191,432,169 | 69,893,329 | 261,325,498 |
| Noncurrent Assets | | | |
| Fixed assets, net | 1,989,758,112 | 1,965,871,458 | 3,955,629,570 |
| Total Assets | <u>11,350,093,016</u> | <u>3,383,780,930</u> | <u>14,733,873,946</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued expenses | 137,860,815 | 129,418,577 | 267,279,392 |
| Due to external parties | 32,565,281 | 2,411,537 | 34,976,818 |
| Interest payable | 67,673,413 | 13,150,143 | 80,823,556 |
| Deferred revenue | 25,896,743 | 50,745,937 | 76,642,680 |
| Other | 438,605,302 | 6,755,313 | 445,360,615 |
| Noncurrent | | | |
| Due within one year | 519,534,293 | 49,460,219 | 568,994,512 |
| Due in more than one year | 7,044,003,601 | 1,617,133,434 | 8,661,137,035 |
| Total Liabilities | <u>8,266,139,448</u> | <u>1,869,075,160</u> | <u>10,135,214,608</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 451,500,066 | 812,437,226 | 1,263,937,292 |
| Restricted for: | | | |
| Capital projects | 51,116,125 | 34,072,484 | 85,188,609 |
| Debt service | 538,591,097 | 70,215,055 | 608,806,152 |
| Other purposes | 957,042,818 | 248,541,096 | 1,205,583,914 |
| Unrestricted | <u>1,085,703,462</u> | <u>349,439,909</u> | <u>1,435,143,371</u> |
| Total Net Assets | <u>\$ 3,083,953,568</u> | <u>\$ 1,514,705,770</u> | <u>\$ 4,598,659,338</u> |

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | <u>Authorities</u> | <u>Colleges and Universities</u> | <u>Total Non-Major Component Units</u> |
|--|-------------------------|--------------------------------------|--|
| Expenses | \$ 1,097,990,117 | \$ 1,263,892,717 | \$ 2,361,882,834 |
| Net (Expense) Revenue and Changes in Net Assets | | | |
| Program Revenues | | | |
| Charges for services | 590,003,047 | 604,013,723 | 1,194,016,770 |
| Operating grants and contributions | 414,248,693 | 287,463,259 | 701,711,952 |
| Capital grants and contributions | 289,551,457 | 67,983,270 | 357,534,727 |
| Net (Expense) Revenue | 195,813,080 | (304,432,465) | (108,619,385) |
| General Revenue | | | |
| Payments from State | 312,856,413 | 472,284,896 | 785,141,309 |
| Total General Revenue | 312,856,413 | 472,284,896 | 785,141,309 |
| Change in Net Assets | 508,669,493 | 167,852,431 | 676,521,924 |
| Net Assets - Beginning of Year | 2,575,284,075 | 1,346,853,339 | 3,922,137,414 |
| Net Assets - End of Year | <u>\$ 3,083,953,568</u> | <u>\$ 1,514,705,770</u> | <u>\$ 4,598,659,338</u> |

**STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS - AUTHORITIES
JUNE 30, 2004**

| | Casino Reinvestment Development Authority | Higher Education Student Assistance Authority |
|--|--|--|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 366,566 | \$ 29,165,012 |
| Investments | 80,080,072 | 894,382,849 |
| Receivables, net of allowances for uncollectibles | | |
| Federal government | -- | 9,726,298 |
| Loans | -- | 615,080,854 |
| Mortgages | 111,736,077 | -- |
| Other | 6,204,105 | 6,983,771 |
| Due from external parties | -- | -- |
| Inventories | -- | -- |
| Other | 20,925,408 | 6,237,896 |
| Noncurrent Assets | | |
| Fixed assets, net | 96,264,083 | 838,260 |
| Total Assets | 315,576,311 | 1,562,414,940 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable | 2,756,612 | 42,490,384 |
| Due to external parties | -- | -- |
| Interest payable | 2,398,741 | -- |
| Deferred revenue | -- | -- |
| Other | -- | 6,625,082 |
| Noncurrent Liabilities | | |
| Due within one year | 6,387,712 | 5,148,235 |
| Due in more than one year | 243,687,435 | 956,959,433 |
| Total Liabilities | 255,230,500 | 1,011,223,134 |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 118,526 | -- |
| Restricted for: | | |
| Capital projects | -- | -- |
| Debt service | 17,535,497 | 10,565,543 |
| Other purposes | 33,234,895 | 540,626,263 |
| Unrestricted | 9,456,893 | -- |
| Total Net Assets | \$ 60,345,811 | \$ 551,191,806 |

| New Jersey Commerce and Economic Growth Commission | New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises | New Jersey Economic Development Authority | New Jersey Educational Facilities Authority |
|---|--|--|--|
| \$ 16,944 | \$ 98,689 | \$ 82,383,713 | \$ 116,843 |
| 4,730,096 | 1,283,222 | 703,133,606 | 6,673,296 |
| -- | -- | -- | -- |
| 2,693,976 | -- | -- | -- |
| -- | -- | -- | -- |
| -- | 1,751,490 | 1,408,487,996 | 260,475 |
| 505,056 | -- | -- | -- |
| 7,793 | 344 | -- | -- |
| 3,740,610 | 289,028 | 11,473,192 | 67,947 |
| 103,461 | -- | 141,493,585 | 280,285 |
| 11,797,936 | 3,422,773 | 2,346,972,092 | 7,398,846 |
| 3,791,274 | 30,795 | 1,471,611 | 301,172 |
| -- | -- | -- | -- |
| -- | -- | 20,024,259 | -- |
| 2,116,774 | -- | 1,649,785 | -- |
| 390,058 | 290,000 | 139,656,690 | -- |
| 646,695 | -- | 94,239,786 | -- |
| -- | -- | 1,318,635,205 | 630,100 |
| 6,944,801 | 320,795 | 1,575,677,336 | 931,272 |
| 103,461 | -- | 44,823,837 | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| 2,783,324 | -- | 72,148,853 | -- |
| 1,966,350 | 3,101,978 | 654,322,066 | 6,467,574 |
| <u>\$ 4,853,135</u> | <u>\$ 3,101,978</u> | <u>\$ 771,294,756</u> | <u>\$ 6,467,574</u> |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS (Continued)
NON-MAJOR COMPONENT UNITS - AUTHORITIES
JUNE 30, 2004

| | New Jersey Environmental Infrastructure Trust | New Jersey Health Care Facilities Financing Authority | New Jersey Housing and Mortgage Finance Agency |
|---|--|---|--|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 373,301,649 | \$ -- | \$ 14,258,000 |
| Investments | 117,450,016 | 2,511,000 | 1,432,325,000 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | -- | -- |
| Loans | 697,046,926 | -- | 122,462,000 |
| Mortgages | -- | -- | 1,899,935,000 |
| Other | -- | 1,832,000 | 14,290,000 |
| Due from external parties | -- | -- | 4,270,000 |
| Inventories | -- | -- | -- |
| Other | 27,547,908 | 173,000 | 29,698,000 |
| Noncurrent Assets | | | |
| Fixed assets, net | 33,862 | 48,000 | 14,733,000 |
| Total Assets | <u>1,215,380,361</u> | <u>4,564,000</u> | <u>3,531,971,000</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | 14,784,704 | 184,000 | -- |
| Due to external parties | -- | -- | 12,093,000 |
| Interest payable | -- | -- | 19,992,000 |
| Deferred revenue | -- | 301,000 | -- |
| Other | -- | 190,000 | 216,333,000 |
| Noncurrent Liabilities | | | |
| Due within one year | 65,325,000 | -- | 290,110,000 |
| Due in more than one year | 860,859,453 | -- | 2,258,064,000 |
| Total Liabilities | <u>940,969,157</u> | <u>675,000</u> | <u>2,796,592,000</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | -- | -- | 14,733,000 |
| Restricted for: | | | |
| Capital projects | -- | -- | -- |
| Debt service | 209,762,804 | -- | 228,659,000 |
| Other purposes | 49,053,748 | -- | 247,089,000 |
| Unrestricted | <u>15,594,652</u> | <u>3,889,000</u> | <u>244,898,000</u> |
| Total Net Assets | <u><u>\$ 274,411,204</u></u> | <u><u>\$ 3,889,000</u></u> | <u><u>\$ 735,379,000</u></u> |

| New Jersey Meadowlands Commission | New Jersey Redevelopment Authority | New Jersey Sports and Exposition Authority | New Jersey Water Supply Authority |
|--|---|---|--|
| \$ 11,451,177 | \$ 15,544,350 | \$ 24,547,000 | \$ 4,913,657 |
| 74,425,778 | 29,492,096 | 172,312,000 | 33,295,943 |
| -- | -- | -- | -- |
| -- | 10,806,902 | -- | -- |
| -- | -- | -- | -- |
| 8,116,582 | 586,780 | 6,423,000 | 2,642,267 |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | 58,907,000 | 21,685,286 |
| 16,689,281 | 81,029 | 962,190,000 | 148,845,658 |
| 110,682,818 | 56,511,157 | 1,224,379,000 | 211,382,811 |
| 10,742,314 | 244,776 | 47,734,000 | 2,218,996 |
| -- | 10,126,975 | -- | -- |
| -- | -- | 20,512,000 | -- |
| -- | -- | 18,949,000 | 2,104,656 |
| -- | -- | 73,564,000 | -- |
| -- | -- | 45,615,000 | 4,743,291 |
| 52,378,495 | -- | 900,564,000 | 108,076,467 |
| 63,120,809 | 10,371,751 | 1,106,938,000 | 117,143,410 |
| 16,689,281 | 81,029 | 44,581,000 | 36,025,900 |
| -- | 34,110,955 | -- | 810,479 |
| -- | -- | 38,112,000 | 9,037,990 |
| 5,365,969 | -- | -- | 1,240,737 |
| 25,506,759 | 11,947,422 | 34,748,000 | 47,124,295 |
| <u>\$ 47,562,009</u> | <u>\$ 46,139,406</u> | <u>\$ 117,441,000</u> | <u>\$ 94,239,401</u> |

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS (Continued)
NON-MAJOR COMPONENT UNITS - AUTHORITIES
JUNE 30, 2004

| | South Jersey Port Corporation | South Jersey Transportation Authority | Total Non-Major Authorities |
|--|--|--|--|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 535,924 | \$ 37,930,870 | \$ 594,630,394 |
| Investments | 58,804,781 | 19,474,904 | 3,630,374,659 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | -- | 556,819 | 10,283,117 |
| Loans | 277,647 | -- | 1,448,368,305 |
| Mortgages | -- | -- | 2,011,671,077 |
| Other | 7,783,314 | 3,396,798 | 1,468,758,578 |
| Due from external parties | -- | -- | 4,775,056 |
| Inventories | -- | 33,412 | 41,549 |
| Other | 3,766,357 | 6,920,537 | 191,432,169 |
| Noncurrent Assets | | | |
| Fixed assets, net | 116,162,729 | 491,994,879 | 1,989,758,112 |
| Total Assets | 187,330,752 | 560,308,219 | 11,350,093,016 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | 1,469,433 | 9,640,744 | 137,860,815 |
| Due to external parties | 10,136,972 | 208,334 | 32,565,281 |
| Interest payable | 2,973,224 | 1,773,189 | 67,673,413 |
| Deferred revenue | 174,989 | 600,539 | 25,896,743 |
| Other | -- | 1,556,472 | 438,605,302 |
| Noncurrent Liabilities | | | |
| Due within one year | 3,035,000 | 4,283,574 | 519,534,293 |
| Due in more than one year | 131,595,000 | 212,554,013 | 7,044,003,601 |
| Total Liabilities | 149,384,618 | 230,616,865 | 8,266,139,448 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 11,839,816 | 282,504,216 | 451,500,066 |
| Restricted for: | | | |
| Capital projects | -- | 16,194,691 | 51,116,125 |
| Debt service | 10,436,778 | 14,481,485 | 538,591,097 |
| Other purposes | 5,500,000 | 29 | 957,042,818 |
| Unrestricted | 10,169,540 | 16,510,933 | 1,085,703,462 |
| Total Net Assets | \$ 37,946,134 | \$ 329,691,354 | \$ 3,083,953,568 |

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**STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | Casino Reinvestment Development Authority | Higher Education Student Assistance Authority |
|--|--|--|
| Expenses | \$ 55,183,056 | \$ 119,035,045 |
| Net (Expense) Revenue and Changes in Net Assets | | |
| Program Revenues | | |
| Charges for services | -- | 64,220,147 |
| Operating grants and contributions | 27,572,536 | 40,637,465 |
| Capital grants and contributions | -- | 263,624,235 |
| Net (Expense) Revenue | <u>(27,610,520)</u> | <u>249,446,802</u> |
| General Revenue | | |
| Payments from State | -- | 28,630,505 |
| Total General Revenue | <u>--</u> | <u>28,630,505</u> |
| Change in Net Assets | (27,610,520) | 278,077,307 |
| Net Assets - Beginning of Year | <u>87,956,331</u> | <u>273,114,499</u> |
| Net Assets - End of Year | <u><u>\$ 60,345,811</u></u> | <u><u>\$ 551,191,806</u></u> |

| New Jersey Commerce and Economic Growth Commission | New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises | New Jersey Economic Development Authority | New Jersey Educational Facilities Authority |
|---|--|--|--|
| \$ 22,835,782 | \$ 1,673,727 | \$ 108,572,007 | \$ 2,191,089 |
| 2,463,800 | 147,245 | 4,053,350 | 3,007,246 |
| 499,325 | 190,410 | 105,822,600 | 58,409 |
| -- | -- | -- | -- |
| (19,872,657) | (1,336,072) | 1,303,943 | 874,566 |
| 20,250,435 | -- | 219,617,880 | -- |
| 20,250,435 | -- | 219,617,880 | -- |
| 377,778 | (1,336,072) | 220,921,823 | 874,566 |
| 4,475,357 | 4,438,050 | 550,372,933 | 5,593,008 |
| <u>\$ 4,853,135</u> | <u>\$ 3,101,978</u> | <u>\$ 771,294,756</u> | <u>\$ 6,467,574</u> |

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STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES (Continued)
NON-MAJOR COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | New Jersey Environmental Infrastructure Trust | New Jersey Health Care Facilities Financing Authority | New Jersey Housing and Mortgage Finance Agency |
|--|--|--|---|
| Expenses | \$ 48,530,483 | \$ 2,669,000 | \$ 174,176,000 |
| Net (Expense) Revenue and Changes in Net Assets | | | |
| Program Revenues | | | |
| Charges for services | 4,158,323 | 3,453,000 | 23,445,000 |
| Operating grants and contributions | 47,397,885 | 42,000 | 159,519,000 |
| Capital grants and contributions | -- | -- | -- |
| Net (Expense) Revenue | <u>3,025,725</u> | <u>826,000</u> | <u>8,788,000</u> |
| General Revenue | | | |
| Payments from State | <u>1,122,904</u> | <u>--</u> | <u>--</u> |
| Total General Revenue | <u>1,122,904</u> | <u>--</u> | <u>--</u> |
| Change in Net Assets | 4,148,629 | 826,000 | 8,788,000 |
| Net Assets - Beginning of Year | <u>270,262,575</u> | <u>3,063,000</u> | <u>726,591,000</u> |
| Net Assets - End of Year | <u><u>\$ 274,411,204</u></u> | <u><u>\$ 3,889,000</u></u> | <u><u>\$ 735,379,000</u></u> |

| New Jersey Meadowlands Commission | New Jersey Redevelopment Authority | New Jersey Sports and Exposition Authority | New Jersey Water Supply Authority |
|--|---|---|--|
| \$ 35,402,182 | \$ 1,616,191 | \$ 404,161,000 | \$ 22,621,420 |
| 28,615,286 | 1,475,768 | 345,271,000 | 21,976,643 |
| 17,846,119 | 345,833 | 9,889,000 | 444,839 |
| -- | -- | 17,565,000 | -- |
| 11,059,223 | 205,410 | (31,436,000) | (199,938) |
| -- | 9,936,999 | 29,527,000 | -- |
| -- | 9,936,999 | 29,527,000 | -- |
| 11,059,223 | 10,142,409 | (1,909,000) | (199,938) |
| 36,502,786 | 35,996,997 | 119,350,000 | 94,439,339 |
| <u>\$ 47,562,009</u> | <u>\$ 46,139,406</u> | <u>\$ 117,441,000</u> | <u>\$ 94,239,401</u> |

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**STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES (Continued)
NON-MAJOR COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | South Jersey Port Corporation | South Jersey Transportation Authority | Total Non-Major Authorities |
|--|--|--|--|
| Expenses | \$ 26,101,618 | \$ 73,221,517 | \$ 1,097,990,117 |
| Net (Expense) Revenue and Changes in Net Assets | | | |
| Program Revenues | | | |
| Charges for services | 24,824,958 | 62,891,281 | 590,003,047 |
| Operating grants and contributions | 549,282 | 3,433,990 | 414,248,693 |
| Capital grants and contributions | 965,435 | 7,396,787 | 289,551,457 |
| Net (Expense) Revenue | 238,057 | 500,541 | 195,813,080 |
| General Revenue | | | |
| Payments from State | 3,770,690 | -- | 312,856,413 |
| Total General Revenue | 3,770,690 | -- | 312,856,413 |
| Change in Net Assets | 4,008,747 | 500,541 | 508,669,493 |
| Net Assets - Beginning of Year | 33,937,387 | 329,190,813 | 2,575,284,075 |
| Net Assets - End of Year | \$ 37,946,134 | \$ 329,691,354 | \$ 3,083,953,568 |

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**STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
JUNE 30, 2004**

| | The College of New Jersey | Thomas Edison State College |
|--|--|--|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 2,275,000 | \$ 674,471 |
| Investments | 193,579,000 | 29,280,778 |
| Receivables, net of allowances for uncollectibles | | |
| Federal government | 1,198,000 | 783,309 |
| Loans | 4,130,000 | -- |
| Other | 4,874,000 | 1,879,562 |
| Due from external parties | -- | -- |
| Inventories | -- | -- |
| Other | 11,486,000 | 329,831 |
| Noncurrent Assets | | |
| Fixed assets, net | 430,875,000 | 31,327,121 |
| Total Assets | <u>648,417,000</u> | <u>64,275,072</u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable | 16,206,000 | 2,227,695 |
| Due to external parties | 27,000 | 108,537 |
| Interest payable | 2,397,000 | -- |
| Deferred revenue | 3,309,000 | 6,352,060 |
| Other | 6,016,000 | -- |
| Noncurrent Liabilities | | |
| Due within one year | 5,233,000 | 741,748 |
| Due in more than one year | 345,065,000 | 332,967 |
| Total Liabilities | <u>378,253,000</u> | <u>9,763,007</u> |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 212,782,000 | 31,131,058 |
| Restricted for: | | |
| Capital projects | 13,861,000 | -- |
| Debt service | 1,096,000 | -- |
| Other purposes | 10,785,000 | 2,885,914 |
| Unrestricted | <u>31,640,000</u> | <u>20,495,093</u> |
| Total Net Assets | <u><u>\$ 270,164,000</u></u> | <u><u>\$ 54,512,065</u></u> |

| <u>Kean University</u> | <u>Montclair State University</u> | <u>New Jersey City University</u> |
|----------------------------|---------------------------------------|---------------------------------------|
| \$ 93,590,000 | \$ 5,201,393 | \$ 591,626 |
| 34,313,000 | 184,506,888 | 78,421,758 |
| 1,615,000 | 257,724 | 1,053,614 |
| 1,289,000 | 3,652,584 | 770,506 |
| -- | 10,979,947 | 4,503,276 |
| 5,181,000 | -- | -- |
| -- | -- | -- |
| 3,668,000 | 8,304,037 | 3,091,061 |
| 126,487,000 | 290,171,064 | 120,877,251 |
| 266,143,000 | 503,073,637 | 209,309,092 |
| 16,357,000 | 14,149,044 | 11,872,779 |
| -- | -- | -- |
| -- | 4,061,027 | 1,259,719 |
| 4,981,000 | 9,993,089 | 1,853,567 |
| 103,000 | 535,027 | -- |
| 5,236,000 | 7,666,257 | 3,905,998 |
| 120,570,000 | 277,009,022 | 104,068,503 |
| 147,247,000 | 313,413,466 | 122,960,566 |
| 57,196,000 | 98,756,689 | 56,335,542 |
| 3,268,000 | -- | -- |
| 6,939,000 | 9,982,595 | 5,405,981 |
| 7,423,000 | 31,418,673 | 5,372,391 |
| 44,070,000 | 49,502,214 | 19,234,612 |
| <u>\$ 118,896,000</u> | <u>\$ 189,660,171</u> | <u>\$ 86,348,526</u> |

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STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS (Continued)
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
JUNE 30, 2004

| | New Jersey Institute of Technology | The William Paterson University of New Jersey | Ramapo College of New Jersey |
|---|---|--|---|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 28,842,000 | \$ -- | \$ 4,327,000 |
| Investments | 75,069,000 | 120,681,093 | 51,803,000 |
| Receivables, net of allowances for uncollectibles | | | |
| Federal government | 11,996,000 | 768,011 | 90,000 |
| Loans | 1,934,000 | 754,400 | 794,000 |
| Other | 13,300,000 | 5,345,188 | 1,389,000 |
| Due from external parties | -- | 573,372 | 3,603,000 |
| Inventories | -- | -- | -- |
| Other | 31,662,000 | 2,670,865 | 3,108,000 |
| Noncurrent Assets | | | |
| Fixed assets, net | 246,567,000 | 194,850,905 | 175,914,000 |
| Total Assets | 409,370,000 | 325,643,834 | 241,028,000 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | 21,312,000 | 13,392,340 | 13,829,000 |
| Due to external parties | 2,276,000 | -- | -- |
| Interest payable | -- | -- | -- |
| Deferred revenue | 10,373,000 | 5,317,973 | 1,751,000 |
| Other | -- | -- | -- |
| Noncurrent Liabilities | | | |
| Due within one year | 1,667,000 | 5,968,161 | 7,865,000 |
| Due in more than one year | 183,853,000 | 128,662,205 | 155,885,000 |
| Total Liabilities | 219,481,000 | 153,340,679 | 179,330,000 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 83,560,000 | 116,059,366 | 36,918,000 |
| Restricted for: | | | |
| Capital projects | 13,797,000 | 1,563,006 | 182,000 |
| Debt service | -- | 13,956,570 | 5,657,000 |
| Other purposes | 46,786,000 | 11,403,646 | 6,991,000 |
| Unrestricted | 45,746,000 | 29,320,567 | 11,950,000 |
| Total Net Assets | \$ 189,889,000 | \$ 172,303,155 | \$ 61,698,000 |

| Rowan University | The Richard Stockton College of New Jersey | Total Non-Major Colleges and Universities |
|-----------------------------|---|--|
| \$ 38,091,376 | \$ 3,823,379 | \$ 177,416,245 |
| 224,813,433 | 83,040,588 | 1,075,508,538 |
| 2,222,320 | -- | 19,983,978 |
| -- | 2,306,521 | 15,631,011 |
| 3,187,238 | 3,218,291 | 48,676,502 |
| -- | 249,714 | 9,607,086 |
| 1,151,876 | 40,907 | 1,192,783 |
| 3,795,884 | 1,777,651 | 69,893,329 |
| 250,423,976 | 98,378,141 | 1,965,871,458 |
| 523,686,103 | 192,835,192 | 3,383,780,930 |
| 11,293,624 | 8,779,095 | 129,418,577 |
| -- | -- | 2,411,537 |
| 5,432,397 | -- | 13,150,143 |
| 4,923,855 | 1,891,393 | 50,745,937 |
| 101,286 | -- | 6,755,313 |
| 6,582,809 | 4,594,246 | 49,460,219 |
| 243,232,478 | 58,455,259 | 1,617,133,434 |
| 271,566,449 | 73,719,993 | 1,869,075,160 |
| 74,311,190 | 45,387,381 | 812,437,226 |
| -- | 1,401,478 | 34,072,484 |
| 17,429,800 | 9,748,109 | 70,215,055 |
| 110,497,889 | 14,977,583 | 248,541,096 |
| 49,880,775 | 47,600,648 | 349,439,909 |
| <u>\$ 252,119,654</u> | <u>\$ 119,115,199</u> | <u>\$ 1,514,705,770</u> |

**STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | The College of New Jersey | Thomas Edison State College |
|--|--|--|
| Expenses | \$ 128,942,000 | \$ 53,925,180 |
| Net (Expense) Revenue and Changes in Net Assets | | |
| Program Revenues | | |
| Charges for services | 71,218,000 | 17,361,636 |
| Operating grants and contributions | 20,752,000 | 24,707,226 |
| Capital grants and contributions | 3,382,000 | 2,024 |
| Net (Expense) Revenue | <u>(33,590,000)</u> | <u>(11,854,294)</u> |
| General Revenue | | |
| Payments from State | 51,576,000 | 13,609,998 |
| Total General Revenue | <u>51,576,000</u> | <u>13,609,998</u> |
| Change in Net Assets | 17,986,000 | 1,755,704 |
| Net Assets - July 1, 2003 | <u>252,178,000</u> | <u>52,756,361</u> |
| Net Assets - June 30, 2004 | <u><u>\$ 270,164,000</u></u> | <u><u>\$ 54,512,065</u></u> |

| Kean University | Montclair State University | New Jersey City University |
|----------------------------|---------------------------------------|---------------------------------------|
| \$ 140,507,000 | \$ 170,822,930 | \$ 99,863,831 |
| 72,728,000 | 95,970,004 | 41,911,613 |
| 29,852,000 | 32,330,206 | 19,855,080 |
| 1,289,000 | 2,063,210 | 590,750 |
| (36,638,000) | (40,459,510) | (37,506,388) |
| 55,589,000 | 66,055,355 | 44,365,934 |
| 55,589,000 | 66,055,355 | 44,365,934 |
| 18,951,000 | 25,595,845 | 6,859,546 |
| 99,945,000 | 164,064,326 | 79,488,980 |
| <u>\$ 118,896,000</u> | <u>\$ 189,660,171</u> | <u>\$ 86,348,526</u> |

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STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES (Continued)
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | New Jersey Institute of Technology | The William Paterson University of New Jersey | Ramapo College of New Jersey |
|--|---|--|---|
| Expenses | \$ 197,501,000 | \$ 137,907,468 | \$ 91,994,000 |
| Net (Expense) Revenue and Changes in Net Assets | | | |
| Program Revenues | | | |
| Charges for services | 66,056,000 | 71,344,016 | 49,331,000 |
| Operating grants and contributions | 67,090,000 | 16,437,007 | 10,830,000 |
| Capital grants and contributions | 41,813,000 | 2,248,396 | 226,000 |
| Net (Expense) Revenue | (22,542,000) | (47,878,049) | (31,607,000) |
| General Revenue | | | |
| Payments from State | 67,044,000 | 56,645,260 | 28,627,000 |
| Total General Revenue | 67,044,000 | 56,645,260 | 28,627,000 |
| Change in Net Assets | 44,502,000 | 8,767,211 | (2,980,000) |
| Net Assets - July 1, 2003 | 145,387,000 | 163,535,944 | 64,678,000 |
| Net Assets - June 30, 2004 | <u>\$ 189,889,000</u> | <u>\$ 172,303,155</u> | <u>\$ 61,698,000</u> |

| Rowan University | The Richard Stockton College of New Jersey | Total Non-Major Colleges and Universities |
|-----------------------------|---|--|
| \$ 148,344,004 | \$ 94,085,304 | \$ 1,263,892,717 |
| 74,121,881 | 43,971,573 | 604,013,723 |
| 44,397,079 | 21,212,661 | 287,463,259 |
| 13,718,023 | 2,650,867 | 67,983,270 |
| (16,107,021) | (26,250,203) | (304,432,465) |
| 53,856,212 | 34,916,137 | 472,284,896 |
| 53,856,212 | 34,916,137 | 472,284,896 |
| 37,749,191 | 8,665,934 | 167,852,431 |
| 214,370,463 | 110,449,265 | 1,346,853,339 |
| <u>\$ 252,119,654</u> | <u>\$ 119,115,199</u> | <u>\$ 1,514,705,770</u> |

STATE OF NEW JERSEY
DESCRIPTION OF FUNDS

Alcohol Education, Rehabilitation and Enforcement Fund (N.J.S.A. 54:32C)

Special Revenue Fund

Annual deposits of \$11 million are made to this Fund from annual collections of the Alcohol Beverage Excise Tax. The monies collected shall be dedicated as follows: 75.0 percent to alcohol rehabilitation, 15.0 percent to enforcement, and 10.0 percent to education.

Additionally, a \$40 fee paid by persons convicted of operating a motor vehicle under the influence of intoxicating liquor or drugs are deposited into this Fund to be used for the screening, evaluation, education, and referral of persons who have been convicted of drunk driving.

Alternate Benefit Long-Term Disability Fund

Pension Trust Fund

Established on October 1, 1986, this fund is employer-funded for long-term disability. Benefits are paid to those members of the Alternate Benefit Programs Fund who have been disabled for two years or more since October 1, 1986.

Alternate Benefit Program Fund (N.J.S.A. 18A:66-167 et seq.)

Agency Fund

The Alternate Benefit Program was established for full-time faculty members of public institutions of higher education. At its inception, all eligible faculty members were permitted to transfer their interests in State retirement systems to this program. Participants have the option to provide for their pensions through fixed or variable annuities purchased through various carriers as provided for in Chapter 92, P.L. 1995. The minimum contribution by employees is 5.0 percent of their base salary, with the State contributing an amount equivalent to 8.0 percent of their base salary. Almost immediate vesting is available to those participating in the Alternate Benefit Program.

Atlantic City Parking Fees Fund (P.L. 1993, c.159)

Special Revenue Fund

Effective July 1, 2003, P.L. 2003, c.116 imposes a \$3 parking fee per diem for each vehicle parked, garaged, or stored in any casino hotel parking space. One half of the revenue collected is to be made available to the Casino Reinvestment Development Authority. The remaining one half is deposited into the Casino Revenue Fund.

Atlantic City Tourism Promotion Fund (P.L. 1991, c.376)

Special Revenue Fund

This Fund accounts for revenues collected for fees of \$2 per day for each occupied room in any hotel providing casino gaming and \$1 per day for each occupied room in any other hotel in the eligible municipality. The revenues are collected, certified, and distributed on a monthly basis to the Atlantic City Convention and Visitors Authority. Amounts expended are solely for the purpose of promoting tourism, conventions, resorts, and casino gaming.

Beaches and Harbor Fund (P.L. 1977, c.208)

Special Revenue Fund

An amount of \$30 million of General Obligation bonds was authorized to research, plan, acquire, develop, construct, and maintain beaches and harbors.

Board of Bar Examiners (R. 1:27B1)**Special Revenue Fund**

This Fund was established for the purposes of drafting bar essay examination questions, reviewing applications, and preparing, administering, and grading bar examinations. Revenues are generated by payments made by candidates for admission to the Bar of the State of New Jersey. Revenues include examination fees, late fee charges, certificates of good standing, license name changes, and copying fees.

Boarding House Rental Assistance Fund (N.J.S.A. 55:14K-14)**Special Revenue Fund**

The purpose of this Fund is to finance life safety improvement loans by the New Jersey Housing and Mortgage Finance Agency for the benefit of residents of boarding homes; and to provide a source of repayment for such life safety improvement loans.

Body Armor Replacement Fund (P.L. 1997, c.177)**Special Revenue Fund**

The Body Armor Replacement Fund is a repository fund for monies used exclusively for the purchase of body vests for law enforcement officers and correction officers.

Capital City Redevelopment Loan and Grant Fund (P.L. 1987, c.58)**Special Revenue Fund**

This Fund was established for the redevelopment and revitalization of the City of Trenton. The State has established the Capital City Redevelopment Corporation operating within the boundaries of the Trenton district, which plans, coordinates, and promotes the public and private development of that district in a manner that enhances the Trenton area's vitality as a place of commerce, recreation, and culture and as an area which to conduct public business and visit historic sites.

Casino Control Fund (N.J.S.A. 5:12-143)**Special Revenue Fund**

The Casino Control Fund accounts for fees from the issuance and annual renewal of casino licenses, work permit fees, and other license fees. Appropriations fund the operations of the Casino Control Commission and the Division of Gaming Enforcement.

Casino Revenue Fund (N.J.S.A. 5:12-145)**Special Revenue Fund**

The Casino Revenue Fund accounts for the tax on gross revenues generated by the casinos. Gross revenue refers to the total of all sums actually received by a licensee from gaming operations, less the total sums paid out as winnings to patrons and a deduction for uncollectible gaming receivables. Appropriations from this Fund must be used for reductions in property taxes, utility charges, and other specified expenses of eligible senior citizens.

Casino Simulcasting Fund (P.L. 1992, c.19)**Special Revenue Fund**

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races conducted at race tracks to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. A portion of the revenue generated from casino simulcasting is to be deposited into this Fund and shall be used for services to benefit senior citizens.

Casino Simulcasting Special Fund (P.L. 1992, c.19)**Special Revenue Fund**

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races conducted at race tracks to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. A portion of the revenue generated from casino simulcasting is to be deposited into this Fund and shall be disbursed to the Atlantic City Racetrack, Atlantic City casinos conducting simulcasting, and for other miscellaneous purposes.

Catastrophic Illness in Children Relief Fund (P.L. 1987, c.370)**Special Revenue Fund**

The purpose of this Fund is to provide assistance to children and their families whose medical expenses due to a child's "catastrophic illness" extend beyond the families' available resources. Revenue is derived from a \$1 annual surcharge per employee for all employers who are subject to the New Jersey Unemployment Compensation Law.

Central Pension Fund**Pension Trust Fund**

This Fund administers a series of noncontributory pension acts. No reserves are established for the payment of retirement benefits. These benefits are funded on a pay-as-you-go basis in accordance with the governing statute and the rules and regulations of the State House Commission.

Clean Communities Account Fund (P.L. 1985, c.533)**Special Revenue Fund**

P.L. 2002, c.128, enacted during fiscal year 2003, revised portions of legislation affecting the Clean Communities Account Fund and the State Recycling Fund. Specifically, this legislation imposes a user fee on sales of litter-generating products to be credited to the Clean Communities Account Fund. Of the annual amount credited to the Fund, 25.0 percent, but not more than \$4 million per year, is appropriated to the State Recycling Fund to provide recycling grants to municipalities and counties for local recycling programs. The balance of money credited to the Fund shall be used to provide grants to eligible municipalities for programs of litter pickup and removal; and shall also be used for a State program of litter pickup and removal and of enforcement of litter-related laws.

Clean Waters Fund (P.L. 1976, c.92)**Special Revenue Fund**

An amount of \$120 million of General Obligation bonds was authorized to research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities.

Consolidated Police and Firemen's Pension Fund (N.J.S.A. 43:16)**Pension Trust Fund**

This Fund was established to place 212 local police and firemen pension funds on an actuarial basis. The membership consists of policemen and firemen appointed prior to July 1, 1944. The liabilities of these local funds were shared: two-thirds by the participating counties and municipalities and one-third by the State.

Correctional Facilities Construction Fund (P.L. 1982, c.120)**Capital Projects Fund**

An amount of \$170 million of General Obligation bonds was authorized for construction of new medium security prisons, a program of county assistance, and renovations and modifications to existing State facilities.

Correctional Facilities Construction Fund of 1987 (P.L. 1987, c.178)

Capital Projects Fund

An amount of \$198 million of General Obligation bonds was authorized for the planning, erection, acquisition, improvement, construction, reconstruction, development, extension, rehabilitation, demolition, and equipment of State and county correctional facilities.

Cultural Centers and Historic Preservation Fund (P.L. 1987, c.265)

Special Revenue Fund

An amount of \$100 million of General Obligation bonds was authorized for the purpose of financing the construction and development of cultural centers (\$40 million); the restoration, repair, or rehabilitation of historic structures in the State (\$25 million); and for the purpose of providing for grants and loans to assist municipalities, counties, and other units of local government to acquire and develop lands for recreation and conservation purposes (\$35 million).

1992 Dam Restoration and Clean Waters Trust Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of \$20 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland, and Historic Preservation Bond Act of 1992 to finance dam restoration and inland water projects and loans.

1989 Development Potential Bank Transfer Fund (P.L. 1989, c.183)

Special Revenue Fund

General Obligation bonds, authorized in the amount of \$20 million, provide for the acquisition and development rights of land by the State for recreation and conservation purposes.

Developmental Disabilities Waiting List Reduction Fund (P.L. 1994, c.108)

Special Revenue Fund

An amount of \$160 million of General Obligation bonds was authorized for the purpose of planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of community based residential facilities for clients on the New Jersey Department of Human Services' Developmental Disabilities Waiting List.

Disciplinary Oversight Committee (R. 1:20-2)

Special Revenue Fund

This Fund was established for the purpose of performing random audits of the books and records of New Jersey attorneys for compliance with standards established by the Supreme Court of New Jersey. Revenues are generated from annual attorney assessments paid by bar members.

Division of Motor Vehicles Surcharge Fund (P.L. 1994, c.57)

Special Revenue Fund

The Fund is comprised of revenues from surcharges and interest for payment to the New Jersey Economic Development Authority's Market Transition Facility Revenue Fund to pay principal and interest on the Market Transition Facility bonds. Excess funds are available for transfer to the State's General Fund.

Dredging and Containment Facility Fund (P.L. 1996, c.70)**Special Revenue Fund**

An amount of \$185 million of General Obligation bonds was authorized for the construction of sub-aqueous pits, the construction of containment facilities, projects related to the decontamination of dredged materials, and dredging projects. Additionally, an amount of \$20 million of General Obligation bond proceeds was authorized for the purpose of dredging navigation channels located in the port region.

Drinking Water State Revolving Fund (P.L. 1998, c.84)**Special Revenue Fund**

This Fund is the depository for the receipt of federal capitalization grants and other funds made available to the State for drinking water projects and set-asides pursuant to the Federal Safe Drinking Water Act.

1996 Economic Development Site Fund (P.L. 1996, c.70)**Special Revenue Fund**

An amount of \$20 million of General Obligation bonds was authorized for the purchase of real property, equipment, and any building, construction, and miscellaneous site improvements associated with an economic development site.

Emergency Flood Control Fund (P.L. 1978, c.78)**Special Revenue Fund**

An amount of \$25 million of General Obligation bonds was authorized to acquire, develop, construct, and maintain flood control facilities and for the development of a comprehensive flood control master plan.

Emergency Medical Technician Training Fund (P.L. 1992, c.143)**Special Revenue Fund**

This Fund was established to annually reimburse any private agency, organization, or entity which is certified by the Commissioner of Health and Senior Services to provide training and testing for volunteer ambulance, first aid, and rescue squad personnel who are seeking emergency medical tech-ambulance and defibrillation intermediate, or who are taking refresher courses or recertification for which that entity is not otherwise reimbursed.

Emergency Services Fund (N.J.S.A. 52:14E-5)**Special Revenue Fund**

Established in 1972, this fund reimburses municipalities or counties for damage or excess costs as a result of an emergency. Payments must be certified by the Governor's Advisory Council and approved by the Governor.

Energy Conservation Fund (P.L. 1980, c.68)**Capital Projects Fund**

An amount of \$50 million of General Obligation bonds was authorized, of which \$3 million is appropriated for energy audits and \$47 million is appropriated for energy-saving renovations to educational facilities, institutions, and public buildings of the State.

Enterprise Zone Assistance Fund (P.L. 1983, c.303)**Special Revenue Fund**

The purpose of this Fund is to concentrate the benefits of zone designation and to provide gradual and geographically balanced introduction of such zones. The law is aimed at encouraging the revitalization of some of the State's most distressed urban areas with incidence of poverty and unemployment.

1996 Environmental Cleanup Fund (P.L. 1996, c.70)**Special Revenue Fund**

An amount of \$70 million of General Obligation bonds was authorized to provide for the remediation of hazardous discharge sites and for the construction of water supply facilities to replace potable water supplies determined to be contaminated or threatened by a discharge.

1989 Farmland Preservation Fund (P.L. 1989, c.183)**Special Revenue Fund**

An amount of \$50 million of General Obligation bonds was authorized for the purpose of the preservation of farmland for agricultural use and production.

1992 Farmland Preservation Fund (P.L. 1992, c.88)**Special Revenue Fund**

An amount of \$50 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of the preservation of farmland for agricultural use and production.

1995 Farmland Preservation Fund (P.L. 1995, c.204)**Special Revenue Fund**

An amount of \$50 million was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of farmland preservation and agricultural use.

Fund for Support of Free Public Schools (N.J.S.A. 18A:56-1)**Special Revenue Fund**

The Fund consists of proceeds from the sale of riparian lands, rents received on leased riparian State lands, licenses and fees related to such lands, and the income from earnings on investments. The income is appropriated by the Annual Appropriations Act for the support of free public schools. The income of the Fund is then transferred to the General Fund in support of such appropriations.

P.L. 2003, c.118 provides for the establishment of a school bond reserve. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1.5 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 1.0 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations.

Garden State Farmland Preservation Trust Fund (P.L. 1999, c.152)**Special Revenue Fund**

The Garden State Farmland Preservation Trust Fund was authorized for the preservation of farmland for agricultural use and production. It receives funding from the Garden State Preservation Trust.

Garden State Green Acres Preservation Trust Fund (P.L. 1999, c.152)**Special Revenue Fund**

The Garden State Green Acres Preservation Trust Fund was authorized for the acquisition and development of lands by the State for recreation and conservation purposes. It receives funding from the Garden State Preservation Trust.

Garden State Historic Preservation Trust Fund (P.L. 1999, c.152)**Special Revenue Fund**

The Garden State Historic Preservation Trust Fund was authorized for the work relating to the conservation, improvement, repair, restoration, or stabilization of historic property. It receives funding from the Garden State Preservation Trust.

Garden State Preservation Trust (P.L. 1999, c.152)**Special Revenue Fund**

The Trust was created to provide funding to the Garden State Farmland Preservation Trust Fund, the Garden State Green Acres Preservation Trust Fund, and the Garden State Historic Preservation Trust Fund for the preservation of open space, farmland and historic properties within the means provided by the 1998 constitutional amendment which dedicated \$98 million annually in Sales and Use Tax revenues for such purposes. During November, 2003 voters approved a new constitutional amendment, P.L. 2004, c.126 that granted the Garden State Preservation Trust with authorization to issue up to \$1.15 billion in bonds, from \$1.0 billion, in order to help meet its legislative mandate. The Trust was placed within the Department of the Treasury but independent of its supervision or control.

General Fund

This Fund accounts for all State revenues not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this Fund. The Appropriations Act enacted by the State Legislature provides the basic framework for the operations of the General Fund.

Green Trust Fund (P.L. 1983, c.354)**Special Revenue Fund**

An amount of \$83 million of General Obligation bonds was authorized from the 1983 New Jersey Green Acres Fund for the purpose of making loans and grants to local government units for the acquisition and development of lands for recreation and conservation.

Gubernatorial Elections Fund (N.J.S.A. 54A:9-25.1)**Special Revenue Fund**

The Gubernatorial Elections Fund accounts for receipts from the one-dollar designation on New Jersey Gross Income Tax returns. When indicated by the taxpayer, one dollar of the tax is reserved from gross income tax revenues (Property Tax Relief Fund) and credited to the Gubernatorial Elections Fund. These funds are available for appropriation pursuant to The New Jersey Campaign Contributions and Expenditures Reporting Act, as amended.

Hazardous Discharge Fund of 1981 (P.L. 1981, c.275)**Special Revenue Fund**

An amount of \$100 million of General Obligation bonds was authorized for the identification, cleanup, and removal of hazardous discharges.

Hazardous Discharge Fund of 1986 (P.L. 1986, c.113)**Special Revenue Fund**

An amount of \$200 million of General Obligation bonds was authorized for the purpose of financing the cost of identification, cleanup, and removal of hazardous discharges.

Hazardous Discharge Site Cleanup Fund (P.L. 1985, c.247)**Special Revenue Fund**

This Fund was established for the purposes of preparing feasibility studies, engineering designs, and undertaking other work necessary to the cleanup or mitigation of hazardous discharge sites in the State. An amount of \$100 million was appropriated from the Hazardous Discharge Fund of 1981.

Health Benefits Local Government Employers Program Fund (N.J.S.A. 52:14-17.25 et seq.)**Proprietary Fund**

This program provides basic health services for employees of local governments. Employees may enroll in a traditional, point of service (NJ PLUS), or health maintenance organization (HMO) plan. The traditional coverage includes basic and extended hospital benefits, medical-surgical benefits, and major medical benefits but generally does not include preventive or wellness care. An HMO provides employees with complete coverage including wellness and preventive care for medical services provided by affiliated physicians and hospitals. NJ PLUS is a point of service plan and combines managed care with the option of reimbursement for services performed by out of network physicians, hospitals, or laboratories. An employee or dependent is required to pay a small co-payment when visiting an HMO or NJ PLUS affiliated physician.

Health Care Subsidy Fund (P.L. 1992, c.160)**Special Revenue Fund**

This Fund is comprised of revenues from employee and employer contributions, cigarette and tobacco taxes, hospital assessments, interest, and penalties. Monies in the Fund shall be used to distribute charity and other uncompensated care disproportionate share payments to hospitals; provide subsidies for the New Jersey Kid Care program; and provide financial assistance for hospitals, other health care initiatives, and hospital bond assistance.

Higher Education Facility Renovation and Rehabilitation Fund (P.L. 1990, c.126)**Special Revenue Fund**

The sum of \$45 million of General Obligation bonds was appropriated from the Jobs, Education and Competitiveness Fund to the Higher Education Facility Renovation and Rehabilitation Fund for the renovation and rehabilitation of existing higher education buildings at various State colleges and universities, and the New Jersey Institute of Technology.

1992 Historic Preservation Fund (P.L. 1992, c.88)**Special Revenue Fund**

An amount of \$25 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State matching grants to assist State agencies or entities, local government units, and qualifying tax exempt nonprofit organizations to meet the historic preservation project cost for historic properties, structures, facilities, or sites owned or leased on a long-term basis by those agencies, entities, units, or organizations.

1995 Historic Preservation Fund (P.L. 1995, c.204)**Special Revenue Fund**

The purpose of this Fund is to provide matching grants to assist State agencies or entities, local government units, and qualified tax-exempt nonprofit organizations to meet historic preservation project costs.

Historic Preservation Revolving Loan Fund (P.L. 1991, c.41)**Special Revenue Fund**

There was appropriated \$3 million to the Historic Preservation Revolving Loan Fund for the purpose of making low interest loans to counties, municipalities, or tax exempt non-profit organizations to finance the costs of acquiring, restoring, repairing, or rehabilitating historic structures.

Horse Racing Injury Compensation Fund (P.L. 1995, c.329)**Special Revenue Fund**

The purpose of this Fund is to provide workers' compensation coverage to employees in the thoroughbred and standard bred horse racing industries in New Jersey. The costs of providing coverage shall be funded from assessments to both the thoroughbred and standard bred industries based on their respective experience rating.

Housing Assistance Fund (P.L. 1968, c.127)**Special Revenue Fund**

An amount of \$12.5 million was authorized for interest rate subsidies on contracts and agreements with qualified mortgagors and mortgagees of housing developments to decrease rental and carrying charges to low and moderate income occupants of such housing, and to provide financial assistance to qualified housing developments that were constructed, financed, or rehabilitated under federal law and moderate income financing programs.

Human Services Facilities Construction Fund (P.L. 1984, c.157)**Capital Projects Fund**

An amount of \$60 million of General Obligation bonds was authorized for the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of human services facilities.

Institutional Construction Fund (P.L. 1978, c.79)**Capital Projects Fund**

An amount of \$100 million of General Obligation bonds was authorized to construct or rehabilitate facilities for the mentally retarded in concert with the federal program for Intermediate Care Facilities/Mentally Retarded (ICF/MR) and the construction or rehabilitation of mental health and correctional facilities. In addition, funds were used for a library for the blind and handicapped and a forensic laboratory for the State Medical Examiner.

Institutions Construction Fund (P.L. 1976, c.93)**Capital Projects Fund**

An amount of \$80 million of General Obligation bonds was authorized to provide safe and humane facilities at institutions for the mentally ill, mentally retarded, and incarcerated through construction of new facilities or rehabilitation and improvement of existing facilities.

Insurance Annuity Trust Fund (Superior Court of New Jersey, Law Division, Morris County Docket No. L-081390-83)

Private Purpose Trust Fund

This Fund was established to account for deposits made by Western National Life Insurance Company or its assignees on behalf of the State of New Jersey resulting from a lawsuit filed against the State.

Jobs, Education and Competitiveness Fund (P.L. 1988, c.78)

Special Revenue Fund

An amount of \$350 million of General Obligation bonds was authorized for the construction, reconstruction, development, extension, improvement, and equipment of classrooms, academic buildings, libraries, computer facilities, and other higher education buildings at New Jersey's public and private institutions of higher education; the establishment and construction of advanced technology centers at public and private institutions of higher education; and for the expansion and construction of additional facilities at, and acquisition of additional and upgraded equipment for, existing advanced technology centers sponsored by the New Jersey Commission on Science and Technology.

Jobs, Science and Technology Fund (P.L. 1984, c.99)

Special Revenue Fund

An amount of \$90 million of General Obligation bonds was authorized for the establishment and construction of a network of advanced technology centers at public and private institutions of higher education; providing for the construction and improvement of technical and engineering facilities and for high technology job training and retraining programs at public and private institutions of higher education.

Judicial Retirement System (N.J.S.A. 43:6A)

Pension Trust Fund

This system provides pension benefits to members of the State Judiciary. The system is maintained on an actuarial reserve basis.

Judiciary Bail Fund (R.3:26)

Agency Fund

The purpose of this Fund is to serve as a repository for the collection of bail, the return of bail to the surety, and the remittance of associated revenues to the proper governmental agency.

Judiciary Child Support and Paternity Fund (Social Security Act, Title IV-D, as amended)

Agency Fund

The purpose of this Fund is to serve as a repository for the collection of child support obligations and the subsequent remittance to the proper recipients.

Judiciary Probation Fund (N.J.S.A. 2C:46-4)

Agency Fund

The purpose of this Fund is to serve as a repository for the collection and disbursement of court imposed financial obligations associated with the statewide probation function.

Judiciary Special Civil Fund (R.6)

Agency Fund

The purpose of this Fund is to serve as a repository for the collection and disbursement of funds collected by the Special Civil Part of the Superior Court of New Jersey.

Korean Veterans' Memorial Fund (P.L. 1996, c.72)**Special Revenue Fund**

The Korean Veterans' Memorial Fund is credited with funds collected by the Korean Veterans' Memorial Committee. The purpose of this Fund is to locate a suitable site for the construction of a memorial in the State of New Jersey honoring the veterans of the Korean War.

1996 Lake Restoration Fund (P.L. 1996, c.70)**Special Revenue Fund**

An amount of \$5 million of General Obligation bonds was authorized for the removal of sand, silt, mud, sediment, rocks, stumps, vegetation, algae blooms, or other materials from lakes, or the abatement and control of pollution caused by storm water runoff, soil erosion, or other types of non-point source or point source pollution.

Lead Hazard Control Assistance Fund (P.L. 2003, c.311)**Special Revenue Fund**

This fund was established for the purpose of providing financial assistance in the form of grants or loans to eligible homeowners to make their homes lead-safe. Money will be received from various sources, including a \$20 fee assessed to homeowners of multiple dwelling units, a portion of the sales tax generated on the sale of paint, and the Catastrophic Illness in Children Relief Fund.

Legal Services Fund (P.L. 1996, c.52)**Special Revenue Fund**

Revenues generated from the increase in certain filing fees in civil actions are credited to the Fund and are used to provide legal services to the poor in civil matters, funding for ten Superior Court judgeships, and support to Rutgers-Newark Law School, Rutgers-Camden Law School, and Seton Hall Law School for clinical programs which provide free legal representation to the poor.

Luxury Tax Development Fund (N.J.S.A. 40:48-8.30a (B))**Agency Fund**

This Fund was established for the deposit of Luxury Tax revenues in excess of statutory requirements. Development funds are dedicated for various housing projects in the City of Atlantic City.

Luxury Tax Fund (N.J.S.A. 40:48-8.30a (B), (P.L. 1991, c.375)**Special Revenue Fund**

This Fund accounts for revenues collected under the provisions of the Luxury Tax Fund Act. The Act amends existing statutes wherein Atlantic City imposes a tax on certain sales and services. A portion of these tax revenues are dedicated to the payment of debt service on bonds issued for the construction of Convention Hall facilities, to subsidize Convention Center operating budget deficits, and to provide housing opportunities for low and moderate income families.

Medical Education Facilities Fund (P.L. 1977, c.235)**Special Revenue Fund**

An amount of \$120 million of General Obligation bonds was authorized to refinance revenue bonds issued in 1974 by the New Jersey Health Care Facilities Financing Authority, to reduce interest costs for the construction of the teaching hospital at the University of Medicine and Dentistry of New Jersey. The refinancing also provided substantial savings (\$25 million), which are available for the construction of other medical facilities.

Mortgage Assistance Fund (P.L. 1976, c.94)**Special Revenue Fund**

An amount of \$25 million of General Obligation bonds was authorized for mortgage assistance and to spur construction, rehabilitation, and maintenance of housing for senior citizens and families of low and moderate income, and to provide funds for second mortgages and for a neighborhood preservation program.

Motor Vehicle Commission Fund (P.L. 2003, c.13)**Capital Projects Fund**

The Motor Vehicle Security and Customer Service Act created the Motor Vehicle Commission Fund which authorized the issuance of \$160 million in installment obligation bonds. An amount of \$10 million is to be transferred to the Administrative Office of the Courts for improvements to the automated traffic system, and the remainder is for the payment of the costs of capital improvements for Motor Vehicle Commission facilities, including but not limited to building improvements, and the acquisition and installation of furniture, fixtures, machinery, computers and electronic equipment.

Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6-30.1)**Private Purpose Trust Fund**

Security deposits made by motorists not having the required minimum motor vehicle insurance coverage in the State, who have been involved in a motor vehicle accident resulting in bodily injury or death and/or property damage, are recorded in this Fund. The deposits may be disbursed in satisfaction of judgments rendered or returned to the motorist upon release of liability.

Municipal Landfill Closure and Remediation Fund (P.L. 1996, c.124)**Special Revenue Fund**

This Fund is dedicated for the purpose of reimbursing a developer who enters into a redevelopment agreement related to the closure, remediation, and redevelopment of municipal landfill sites and is certified for reimbursement in accordance with the provisions of the law. Costs of the closure and remediation of the municipal solid waste landfill may be eligible for 75.0 percent reimbursement upon the commencement of a business operation within a redevelopment project. The reimbursements are made from designated Sales and Use Tax collections.

Mutual Workers' Compensation Security Fund (N.J.S.A. 34:15-112)**Special Revenue Fund**

Monies received from assessments levied against mutual insurance carriers writing workers' compensation insurance in the State are deposited in this Fund. Payments from the Mutual Workers' Compensation Fund are made to persons entitled to receive workers' compensation when a mutual carrier is determined to be insolvent.

Natural Resources Fund (P.L. 1980, c.70)**Special Revenue Fund**

An amount of \$145 million of General Obligation bonds was authorized to fund state and local projects for resource recovery, sewage treatment, water supply, dam restoration, and harbor clean-up projects.

New Home Warranty Security Fund (N.J.S.A. 46:3B-7)**Special Revenue Fund**

Monies received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease, are deposited in this Fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

New Jersey Automobile Insurance Guaranty Fund (P.L. 1990, c.8)

Special Revenue Fund

This Fund is utilized exclusively for the purpose of satisfying the financial obligations of the New Jersey Automobile Full Insurance Underwriting Association. Monies are collected from the following sources: tax imposed on premiums earned by the New Jersey Automobile Full Insurance Underwriting Association; surtax imposed on automobile insurance premiums; a percentage of the surcharges collected by the Division of Motor Vehicles; additional registration fees collected by the Division of Motor Vehicles; assessments against attorneys, auto body shops, medical examiners, chiropractors, and physical therapists; and loans from the New Jersey Property-Liability Insurance Guaranty Association.

P.L. 1994, c.57 amended P.L. 1990, c.8 to utilize any monies remaining after the New Jersey Automobile Full Underwriting Association debt has been satisfied to satisfy the current and anticipated liabilities and expenses of the Market Transition Facility.

Effective June 9, 2003, P.L. 2003, c.89 repealed section 23 of P.L. 1990, c.8. All balances in this fund created pursuant to section 23 of P.L. 1990, c.8 were transferred to the New Jersey Property-Liability Insurance Guaranty Association.

New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund (P.L. 1989, c.180)

Capital Projects Fund

An amount of \$115 million of General Obligation bonds was authorized for the purposes of rehabilitating and improving bridges in the State and the preservation and acquisition of railroad rights-of-way.

New Jersey Bridge Rehabilitation and Improvement Fund (P.L. 1983, c.363)

Capital Projects Fund

An amount of \$135 million of General Obligation bonds was authorized for the purpose of rehabilitating and improving bridges in the State's rail and road system. Of this sum, \$97.5 million was reserved for the cost of rehabilitation and improvement of bridges carrying State highways and \$37.5 million was reserved for the State share of the cost of rehabilitation and improvement of bridges carrying county and municipal roads.

New Jersey Building Authority (N.J.S.A. 52:18A-78.4)

Special Revenue Fund

The New Jersey Building Authority, created in 1981 as a body corporate and politic, is authorized to construct and rehabilitate office buildings and related facilities for use by State agencies. The Authority is authorized to issue bonds and notes to provide funds for the construction and the rehabilitation of the above related projects. Debt service on outstanding bonds is paid through lease agreements with the State.

1995 New Jersey Coastal Blue Acres Trust Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of \$15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of providing State grants and loans to assist local government units to meet the coastal blue acres cost of acquiring, for recreation and conservation purposes, lands in the coastal area that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or may buffer or protect other lands from such damage.

New Jersey Cultural Trust Fund (P.L. 2000, c.76)**Special Revenue Fund**

The Annual Appropriations Act provides funding to a dedicated non-lapsing account in the General Fund. The State Treasurer shall transfer to the trust fund from this account an amount equal to donations made to the Cultural Trust Fund subject to the availability of monies in the dedicated account. Interest or other monies earned on the deposits made to the Fund shall be used for assisting in the funding of capital facilities projects and endowment development, and contributing to the financial stability of qualified organizations in New Jersey.

1983 New Jersey Green Acres Fund (P.L. 1983, c.354)**Special Revenue Fund**

An amount of \$135 million of General Obligation bonds was authorized for public acquisition and development of land for recreation and conservation purposes to meet the future needs of the expanding population. Of this amount, \$52 million is allocated for the acquisition and development of land by the State. An amount of \$83 million is to be transferred to the Green Trust Fund and is allocated for grants or loans to local government units for acquisition or development of land.

1989 New Jersey Green Acres Fund (P.L. 1989, c.183)**Special Revenue Fund**

An amount of \$90 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for State grants to assist local government units to acquire and develop land for recreation and conservation purposes.

1992 New Jersey Green Acres Fund (P.L. 1992, c.88)**Special Revenue Fund**

An amount of \$80 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of acquiring and developing land by the State for recreation and conservation purposes.

1995 New Jersey Green Acres Fund (P.L. 1995, c.204)**Special Revenue Fund**

An amount of \$115 million of General Obligation bonds was authorized from the 1995 Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995 to provide monies for public acquisition and development of land for recreation and conservation purposes.

1989 New Jersey Green Trust Fund (P.L. 1989, c.183)**Special Revenue Fund**

An amount of \$140 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for public acquisition and development of land for recreation and conservation purposes.

1992 New Jersey Green Trust Fund (P.L. 1992, c.88)**Special Revenue Fund**

An amount of \$120 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State grants and loans to assist local government units to acquire and develop land for recreation and conservation.

1995 New Jersey Green Trust Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of \$135 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 to provide monies for public acquisition and development of land for recreation and conservation purposes.

1995 New Jersey Inland Blue Acres Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of \$15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of providing monies to meet the inland blue acre cost of acquisition by the State, for recreation and conservation purposes, of lands in the floodway of the Passaic River and its tributaries that have been damaged by, or may be prone to incurring damage caused by, storms or storm related flooding, or that may buffer or protect other lands from such damage.

New Jersey Insolvent Health Maintenance Organization Assistance Fund (P.L. 2000, c.12)

Special Revenue Fund

The purpose of this Fund is to protect, subject to certain limitations, covered individuals and providers against the failure or inability of HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. to perform certain contractual obligations due to their insolvency. An amount of \$41.1 million from the Tobacco Settlement Fund as well as an aggregate amount not to exceed \$50 million from HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. has been appropriated to this fund.

New Jersey Lawyers' Assistance Program (R. 1:28B)

Special Revenue Fund

This Fund provides assistance to members of the New Jersey Bar, law students, and law school graduates who have an alcohol, drug abuse, and/or gambling problems. Each nonexempt member of the Bar is required to pay \$3 annually if in their second year of practice and \$6 annually for attorneys in their third year to forty-ninth year.

New Jersey Lawyers' Fund for Client Protection (R. 1:28-7)

Special Revenue Fund

This Fund was established for the purpose of reimbursing, to the extent and in the manner provided by rules and regulations, losses resulting from dishonest conduct by members of the Bar of the State of New Jersey. Annual payments are made to this Fund by each member of the Bar of the State of New Jersey.

New Jersey Local Development Financing Fund (N.J.S.A. 34:1B-36)

Special Revenue Fund

An amount of \$45 million of General Obligation bonds was authorized to capitalize the New Jersey Local Development Financing Fund. The Fund provides financial assistance to municipal governments, local development corporations, and other organizations sponsoring commercial and industrial projects which encourage municipal economic development.

New Jersey Racing Industry Special Fund (P.L. 2001, c.199)**Special Revenue Fund**

The New Jersey Racing Industry Special Fund accounts for inactive or dormant wagering accounts, breakage and outstanding parimutual money exceeding required racing costs, and the excess takeout rate. Money deposited shall be disbursed monthly by the New Jersey Racing Commission primarily to those holding permits to conduct horse racing.

New Jersey Schools Construction Corporation**Special Revenue Fund**

Pursuant to Executive Order No. 24, the New Jersey Schools Construction Corporation ("Corporation") was created as a subsidiary of the New Jersey Economic Development Authority ("NJEDA"). The Corporation was formed as a separate activity apart from the NJEDA's mandated economic development mission for the purpose of establishing a more concentrated focus and streamlined approach to the timely and efficient construction of quality schools in New Jersey.

New Jersey Spill Compensation Fund (N.J.S.A. 58:10-23.11i)**Special Revenue Fund**

Receipts from taxes and penalties levied upon each owner or operator of a major facility of hazardous substances are deposited in this Fund. The tax is measured by the number of barrels of hazardous substances of the first transfer to the major facility. Payments may be authorized for clean-up costs, removal costs, research, and payments of approved claims.

New Jersey Spinal Cord Research Fund (P.L. 1999, c.201)**Special Revenue Fund**

A \$1 surcharge on motor vehicle fines and penalties are credited to this Fund. Money collected shall be used exclusively for the purpose of making grants for approved spinal cord research projects at qualified research institutions.

New Jersey State Employees' Deferred Compensation Plan (N.J.S.A. 52:18A-164)**Pension Trust Fund**

This Fund represents the activity of the deferred compensation plan by which amounts contributed by participating employees are invested through various investment options. Included in the Fund are those amounts contributed by participants through payroll withholding, plus investment earnings and appreciation in asset values related to those monies.

New Jersey Transportation Trust Fund Authority (N.J.S.A. 27:1B-4)**Special Revenue Fund**

The New Jersey Transportation Trust Fund Authority was created under the New Jersey Transportation Trust Fund Authority Act of 1984 to provide the payment for and financing of all, or a portion of, the costs incurred by the Department of Transportation and the New Jersey Transit Corporation for the planning, acquisition, engineering, construction, reconstruction, repair, and rehabilitation of the State's transportation system.

New Jersey Workforce Development Partnership Fund (P.L. 1992, c.44)**Special Revenue Fund**

This Fund was established to provide qualified displaced, disadvantaged, and employed workers with employment and training services most likely to provide the greatest opportunity for long range career advancement with high levels of productivity and earning power. The program shall provide those services by means of training grants or customized training services, provided the funding is not available from federal or other sources. Beginning January 1, 1993, each worker and employer shall contribute to the fund an amount equal to 0.025 percent of the workers' wages. These funds will reduce contributions to the Unemployment Compensation Fund.

Pension Adjustment Fund (N.J.S.A. 43:3B)**Agency Fund**

The Fund covers all eligible pensioners of the State-administered retirement systems. This Fund provides cost-of-living allowances for retirees of the pension trust funds. The statutes provide that payments are contingent upon annual appropriation by the State Legislature. The Pension Adjustment Fund is funded on a pay-as-you-go basis.

Petroleum Overcharge Reimbursement Fund (P.L. 1987, c.231)**Special Revenue Fund**

The Petroleum Overcharge Reimbursement Fund accounts for monies received by the State from the Federal government pursuant to court settlements with various petroleum companies and distributors as payments for overcharges for petroleum products. Appropriations are made from the Fund for energy efficiency and conservation programs.

Pinelands Infrastructure Trust Fund (P.L. 1985, c.302)**Special Revenue Fund**

An amount of \$30 million of General Obligation bonds was authorized for the purpose of providing grants and loans to local units of government for transportation, wastewater treatment, water supply, and other infrastructure capital projects necessary to accommodate development in the pinelands area.

Police and Firemen's Retirement System (N.J.S.A. 43:16A)**Pension Trust Fund**

All police and firemen, appointed after June 1944 in municipalities where local police and firemen pension funds existed or where this system was adopted by referendum or resolution, are required to become members of this system. Certain State and county employees are also covered. Employer obligations are paid by the local employers and the State. This Fund is maintained on an actuarial reserve basis.

Pollution Prevention Fund (P.L. 1991, c.235)**Special Revenue Fund**

The purpose of this Fund is the implementation of a comprehensive pollution prevention program which integrates the air pollution, water pollution, and hazardous waste management programs. The Fund shall be credited with fees imposed upon employers and collected by the New Jersey Department of Labor.

Prescription Drug Local Government Employers Program Fund (N.J.S.A. 52:14-17.29)**Proprietary Fund**

This program helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes, or other institutions. Included are those drugs, which, as required by Federal law, can be dispensed only upon a written prescription ordered by a physician. The program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment charge for each eligible prescription and prescription refill. This plan is provided to local employees whose employers have elected to participate in the State Prescription Drug Program.

Prison Officers' Pension Fund (N.J.S.A. 43:7)**Pension Trust Fund**

This is a closed system for certain employees of State penal institutions and is funded on a pay-as-you-go basis.

Property Tax Relief Fund (N.J.S.A. 54A:9-25)**Special Revenue Fund**

The Property Tax Relief Fund accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the Fund, pursuant to formulas established by the State Legislature, to counties, municipalities, and school districts.

Public Buildings Construction Fund (P.L. 1968, c.128)**Capital Projects Fund**

An amount of \$337.5 million of General Obligation bonds was authorized for construction, reconstruction, development, extension, and equipping of public buildings for State institutions, higher education, including State and county colleges, vocational education, and for a statewide television and radio network.

Public Employees' Retirement System (N.J.S.A. 43:15A)**Pension Trust Fund**

Most public employees in New Jersey, not required to become members of another contributory retirement program, are required to enroll in this system. The retirement benefits of this system are coordinated, but not integrated, with social security. This Fund is maintained on an actuarial reserve basis.

Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c.184)**Capital Projects Fund**

An amount of \$125 million of General Obligation bonds was authorized for the purpose of the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipment of State and community-based human services facilities and State correctional facilities.

Public Purpose Buildings Construction Fund (P.L. 1980, c.119)**Capital Projects Fund**

An amount of \$159 million of General Obligation bonds was authorized for construction of public purpose buildings, including \$50 million for facilities for the mentally retarded, \$67 million for correctional facilities, \$7 million for a veterans' long-term care facility, \$3.5 million for facilities for children in need of supervision, and \$21.5 million for facilities for the mentally ill.

The Public Purpose Buildings Construction Fund also provides an additional \$10 million to the Department of Human Services for the establishment of a loan guarantee fund to encourage the construction of long-term care facilities which will provide additional Medicaid beds.

Real Estate Guaranty Fund (N.J.S.A. 45:15-34)

Special Revenue Fund

Monies received from additional fees on annual licenses of real estate brokers and real estate salesmen are deposited in this Fund. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

Resource Recovery and Solid Waste Disposal Facility Fund (P.L. 1985, c.330)

Special Revenue Fund

An amount of \$85 million of General Obligation bonds was authorized to provide funds for loans or grants to local government units for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities.

Resource Recovery Investment Tax Fund (P.L. 1985, c.38)

Agency Fund

Receipts generated by the investment tax and waste importation tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to counties based on statutory regulations.

Safe Drinking Water Fund (N.J.S.A. 58:12A-12)

Special Revenue Fund

This Fund accounts for tax revenues collected from owners or operators of public community water systems pursuant to the Safe Drinking Water Act. Monies in this Fund are subject to appropriation to the Department of Environmental Protection for all costs associated with the department's administration of programs set forth in the Act.

Sanitary Landfill Facility Contingency Fund (N.J.S.A. 13:1E-100)

Special Revenue Fund

Receipts from taxes and penalties levied upon each owner or operator of every sanitary landfill facility are deposited in this Fund. The tax is levied per cubic yard of solids and per gallon of liquids. The Fund shall be liable for all direct and indirect damages resulting from the operations or closure of any sanitary landfill.

Shore Protection Fund (P.L. 1983, c.356)

Special Revenue Fund

An amount of \$50 million of General Obligation bonds was authorized for the purpose of State projects and the making of State grants and loans to counties and municipalities for researching, planning, acquiring, developing, constructing, and maintaining shore protection projects. Of the total available, \$40 million was allocated for State shore protection projects and for State grants to counties and municipalities. The remaining \$10 million was allocated for State loans to counties and municipalities.

Solid Waste Service Tax Fund (P.L. 1985, c.38)**Agency Fund**

Receipts generated by the solid waste services tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to provide state aid to counties.

Special Transportation Fund (N.J.S.A. 27:1B-21)**Capital Projects Fund**

This Fund was established in accordance with the provisions of the New Jersey Transportation Trust Fund Authority Act of 1984. The Fund accounts for the receipt of resources from the New Jersey Transportation Trust Fund Authority and related federal grant awards, and the expenditure of these funds for authorized public transportation projects. The funds can only be expended by the Department of Transportation pursuant to appropriations or authorizations made by the State Legislature for the purpose of the Transportation Trust Fund Authority Act.

State Disability Benefit Fund (N.J.S.A. 43:21-46a)**Special Revenue Fund**

Deposits from contributions of workers and employers who are subject to the contribution section on taxable wages under the unemployment compensation law of the State are recorded in the Fund. Deposits are also made from special assessments, fines, penalties, and investment earnings. Payments from the Fund may be made to persons entitled to disability benefits and benefits not covered by the Workers' Compensation Law, for authorized refunds of contributions, and for administrative expenses.

State Facilities for Handicapped Fund (P.L. 1973, c.149)**Capital Projects Fund**

An amount of \$25 million of General Obligation bonds was authorized for the expansion and renovation of the Marie H. Katzenbach School for the Deaf and for the planning, acquisition, improvements, and construction of regional day-school facilities to educate children with severe handicaps.

State Land Acquisition and Development Fund (P.L. 1978, c.118)**Special Revenue Fund**

An amount of \$200 million of General Obligation bonds was authorized for State and local acquisition and development to continue efforts to conserve open space and provide recreation areas. Half of the amount is allocated to urban areas.

State Lottery Fund (N.J.S.A. 5:9-21)**Proprietary Fund**

Monies derived from the sale of State lottery tickets are deposited into this Fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. The balance of funds is paid to the General Fund in support of the amounts annually appropriated for State institutions and for education. The present value of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this Fund.

State of New Jersey Cash Management Fund-External Portion (N.J.S.A. 52:18A-90.4)**Investment Trust Fund**

This Fund serves as an investment pool to consolidate monies for municipalities, counties, school districts, and any other public body corporate or politic.

State Police Retirement System (N.J.S.A. 53:5A)**Pension Trust Fund**

This system was created in July 1965 as successor to the State Police Retirement and Benevolent Fund. All uniformed officers and troopers of the Division of State Police in the New Jersey Department of Law and Public Safety are required to enroll. This system is maintained on an actuarial reserve basis.

State Recreation and Conservation Land Acquisition and Development Fund (P.L. 1974, c.102)**Special Revenue Fund**

An amount of \$200 million of General Obligation bonds was authorized to enable the State to acquire and develop land and to provide for State grants to assist municipalities, counties, and other units of local government to acquire and develop land for recreation and conservation purposes.

State Recycling Fund (N.J.S.A. 12:1E-92)**Special Revenue Fund**

P.L. 2002, c.128, enacted during fiscal year 2003, revised prior portions of legislation affecting this Fund. Specifically, this legislation requires that 25.0 percent of the balance in the Clean Communities Account Fund, but not more than \$4 million per year, is appropriated to this Fund, to provide recycling grants to municipalities and counties for local recycling programs.

1999 Statewide Transportation and Local Bridge Fund (P.L. 1999, c.181)**Capital Projects Fund**

An amount of \$500 million of General Obligation bonds was authorized for the purpose of rehabilitating and improving State transportation, including local bridges. Of this sum, \$250 million was reserved for grants to county and municipal governments for the cost of rehabilitation and improvement of structurally deficient bridges carrying county or municipal roads including railroad overhead bridges. The remaining \$250 million is reserved for transportation projects.

Stock Workers' Compensation Security Fund (N.J.S.A. 34:15-105)**Special Revenue Fund**

Monies received from assessments levied against stock insurance carriers writing workers' compensation insurance in the State are deposited in this Fund. Payments from the Stock Workers' Compensation Fund are made to persons entitled to receive workers' compensation when a stock carrier is determined to be insolvent.

Stormwater Management and Combined Sewer Overflow Abatement Fund (P.L. 1989, c.181)**Special Revenue Fund**

An amount of \$50 million of General Obligation bonds was authorized for the purpose of providing grants and loans to local government units for the costs of projects identified pursuant to the stormwater management and combined sewer overflow abatement project priority list.

Superior Court of New Jersey Trust Fund (R. 4:57-2 to 5)**Special Revenue Fund**

This Fund accounts for monies representing deposits made in court as a result of litigation, including foreclosures, condemnations, liquidations, dissolutions, good faith deposits by liability insurers, sale of infants' lands, insolvencies, receiverships, and interpleaders.

Supplemental Annuity Collective Trust (N.J.S.A. 52:18A-110)

Pension Trust Fund

Any active, contributing member of the several State-administered retirement systems may enroll in this program. Members agree to make voluntary additional contributions through their pension funds to purchase variable retirement annuities in order to supplement the benefits provided by their basic system. Some employers agree to purchase tax-sheltered annuities for the same purpose for certain eligible public employees.

Supplemental Workforce Fund for Basic Skills (PL 2002, c.152)

Special Revenue Fund

Beginning July 1, 2001, each employer shall contribute an amount equal to the amount that the employer's contribution is decreased pursuant to subparagraph (5) of subsection (c) of R.S.43:21-7. Beginning January 1, 2002, each worker shall contribute 0.0175 percent of the worker's wages as determined in paragraph (3) of subsection (b) of R.S. 43:21-7. The monies in this Fund shall be used for the basic skills training; reemployment services, and training programs for displaced disadvantaged workers.

Teachers' Pension and Annuity Fund (N.J.S.A. 18A-66)

Pension Trust Fund

Most employees in every school district in the State and in the county vocational schools, as well as certain employees in the State Department of Education, are members of this system. The system of retirement benefits is coordinated, but not integrated, with social security. The Fund is maintained on an actuarial reserve basis.

Tobacco Settlement Financing Corporation, Inc. (P.L. 2002, c.32)

Special Revenue Fund

The Tobacco Settlement Financing Corporation, Inc. is a body corporate and politic established in, but not of the Department of Treasury. In Fiscal Year 2003 the State sold to the corporation all of its rights, title, and interest in, and the right to receive the amounts payable under the 1998 Master Settlement Agreement reached between 46 states and the major tobacco companies. The Corporation generated \$3.46 billion in Tobacco Settlement Asset-Backed Bonds to pay for New Jersey's rightful share under the Master Settlement Agreement.

Tobacco Settlement Fund

Special Revenue Fund

Payments received from the Master Settlement Agreement (MSA), dated November 23, 1998, are deposited into this Fund. The MSA is the national settlement reached with the tobacco industry in which participating states will be paid in perpetuity. During Fiscal Year 2003, the State sold its rights of future installments acquired via the MSA to the Tobacco Settlement Financing Corporation, Inc. for \$2.8 billion plus any interest accrued on monies held in escrow.

Tourism Improvement and Development Act (P.L. 1992, c.165)

Agency Fund

This Fund was established for the deposit of tax revenues collected from predominantly tourism related sales, such as the occupancy of every hotel room subject to tax and receipts from the sale of food or drink, except those sold through vending machines. These funds are to be used to fund tourism facility improvements without placing the onus on the permanent residents and businesses.

Transportation Rehabilitation and Improvement Fund (P.L. 1979, c.165)**Capital Projects Fund**

An amount of \$475 million of General Obligation bonds was authorized to provide an improved transportation system for the State. Of this amount, \$150 million was reserved for the improvement of public transportation facilities, \$80 million was reserved for the improvement of county and municipal roads, and \$245 million was reserved for the improvement of State highways.

Trial Attorney Certification Program (R. 1:39-1 (h))**Special Revenue Fund**

This Fund was established to assist the Supreme Court of New Jersey in the administration of the certification function for civil or criminal trial attorneys. The rules and regulations by which the Board is administered were approved by the Supreme Court of New Jersey.

Unclaimed Child Support Trust Fund (P.L. 1995, c.115)**Special Revenue Fund**

All monies received, as abandoned child support shall be deposited into this Fund. Each year, within 45 days of the receipt of such funds, payments shall be made to the Judiciary consisting of the Federal Government's Title IV-D share. The remaining portions shall be used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

Unclaimed County Deposits Trust Fund (P.L. 1992, c.173)**Private Purpose Trust Fund**

All monies received as unclaimed county deposits shall be deposited in the Fund. Each year 75.0 percent of the deposits received from a respective county shall be paid to that county. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

Unclaimed Insurance Payments on Deposit Accounts Fund**Private Purpose Trust Fund**

The Unclaimed Deposits Amendment Act of 1993 (UDAA) controls the disposition of unclaimed insurance payments on deposit accounts for insured depository institutions which are placed into receivership after July 28, 1993. Pursuant to the UDAA, unclaimed insurance deposits are placed into this Fund and held for ten years. Payments will be made to the owner upon determining that such individual or entity is the rightful owner of such funds. At the end of the ten-year period, any remaining deposits will be forwarded to the Federal Deposit Insurance Corporation (FDIC).

Unclaimed Utility Deposits Trust Fund (P.L. 2000, c.132)**Special Revenue Fund**

All monies received in unclaimed property deposits from electric and gas utilities are deposited into this Fund. Each year, unless the administrator deems it prudent and advisable to do otherwise, the administrator shall pay to the New Jersey Statewide Heating Assistance and Referral for Energy Services (SHARES) non-profit corporation, or to another statewide non-profit energy assistance organization designated by the Board of Public Utilities within 45 days of the receipt of such funds, 75.0 percent of the unclaimed utility deposits received from each of the electric and gas utilities by the administrator. Money received from the administrator shall be used exclusively for the payment of expenses associated with the restoration of electric or gas service, or to prevent the termination of electric or gas service. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed.

Unemployment Compensation Auxiliary Fund (N.J.S.A. 43:21-14g)**Special Revenue Fund**

Amounts collected as penalties and interest assessed against employers who have failed to make payment of contributions required under the Unemployment Compensation Law to the State on a timely basis are deposited in this Fund.

Payments from the Fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by appropriations for administrative costs of the Unemployment Compensation Law and for costs of programs which generate employment, such as the Work Incentive Program (WIN), authorized training programs, and economic development activities.

Unemployment Compensation Fund (N.J.S.A. 43:21-9a)**Proprietary Fund**

This Fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, amounts credited or advances made by the Federal government, and amounts received herein from any other source.

After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-needed basis, which amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits.

Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by Federal statutes, which authorize advances from the Federal government for unemployment benefits. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the Fund assets at any time by the Governor.

Universal Services Fund (P.L. 1999, c.23)**Special Revenue Fund**

Monies deposited into this Fund are generated from a “societal benefit charge” on monthly utility bills. The funds generated from the charge will support the Lifeline program as well as clean energy initiatives.

University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund**(N.J.S.A. 52:18A-1 et seq.)****Special Revenue Fund**

This Fund was established by a trust agreement between the State and the University of Medicine and Dentistry to cover malpractice claims against the hospitals and the University. Fund deposits are managed by the Division of Investment with earnings increasing the Fund. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the Authority's bondholders.

Unsatisfied Claim and Judgment Fund (N.J.S.A. 39:6-61)**Special Revenue Fund**

Receipts from insurance companies, recoveries of judgments entered against uninsured motorists, and amounts credited from earnings on investments are deposited in this Fund.

Payments are authorized for approved claims to entitled persons resulting from bodily injury, death, and/or damage to property up to specified maximum amounts, exclusive of interest and costs. In addition, payments of no-fault benefits on hit and run and non-insured cases resulting in bodily injury caused by an accident involving a motor vehicle are likewise authorized. Payments are made for amounts of medical expense benefits, which exceed the maximum allowable amount payable for medical expense coverage under the no-fault provision of the New Jersey Automobile Reparation Reform Act. Administrative expenses are also payable as are approved refunds of excess recoveries on judgments.

P.L. 2003, c.89 was approved June 9, 2003. This law abolishes the Unsatisfied Claim and Judgment Fund and transfers all balances to the New Jersey Property-Liability Insurance Guaranty Association.

Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)

Special Revenue Fund

An amount of \$20 million of General Obligation bonds was authorized to provide financing for the demolition and disposal of unsafe buildings in urban and rural centers.

Vietnam Veterans' Memorial Fund (P.L. 1985, c.494)

Special Revenue Fund

This Fund receives monies from donations and income tax checkoffs to fund the Vietnam Veterans' Memorial honoring New Jersey veterans of the Vietnam conflict.

Volunteer Emergency Service Organizations Loan Fund (P.L. 1987, c.8)

Special Revenue Fund

The purpose of this Fund is to provide low-interest loans to volunteer emergency service organizations for the purpose of modernizing or replacing outmoded or unsafe emergency vehicles, apparatus, equipment, or facilities, or to establish facilities to meet an increasing demand for a higher level of service in the communities in which they serve.

Wage and Hour Trust Fund (N.J.S.A. 34:11-57)

Agency Fund

The Wage and Hour Trust Fund consists of four agency accounts which are used to collect wage settlements from employers who are deemed to have violated one or more, of the various components of the New Jersey Wage and Hour Law; and, to disburse the funds collected to employees who are entitled to receive the wages.

Wastewater Treatment Fund (P.L. 1985, c.329)

Special Revenue Fund

An amount of \$190 million of General Obligation bonds was authorized for the purpose of financing the cost of construction of wastewater treatment systems. Of the total amount authorized, \$150 million is allocated for the purpose of making grants and low or zero interest loans to local government units for financing the cost of the construction of wastewater treatment systems. In addition, this fund is the depository for the receipt of federal capitalization grants made available to the State for the purpose of financing wastewater treatment systems.

1992 Wastewater Treatment Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of \$45 million was authorized for the purpose of making zero interest loans to local government units for wastewater treatment system projects, in order to bring such systems into full compliance with permits issued pursuant to the Water Pollution Control Act; to provide adequate wastewater treatment in areas where large numbers of septic systems have malfunctioned or become obsolete; or to connect an obsolete or malfunctioning wastewater treatment system to another wastewater treatment system.

Water Conservation Fund (P.L. 1969, c.127)

Special Revenue Fund

An amount of \$271 million of General Obligation bonds was authorized to conduct research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities for the preservation, sale, or exchange of water for potable, industrial, commercial, irrigational, recreational, and other public purposes.

Water Supply Fund (P.L. 1981, c.261)

Special Revenue Fund

An amount of \$350 million of General Obligation bonds was authorized to provide loans for State or local projects for the rehabilitation, repair, or consolidation of antiquated, damaged, or inadequately operating water supply facilities, as recommended by the New Jersey Water Supply Master Plan.

Water Supply Replacement Trust Fund (P.L. 1988, c.106)

Special Revenue Fund

This Fund provides loans to municipalities or municipally owned public water systems for the purpose of providing a permanent alternate water supply to persons whose principal source of potable water is contaminated or is threatened with contamination by hazardous substances.

Worker and Community Right to Know Fund (N.J.S.A. 34:5A-1)

Special Revenue Fund

This Fund was established to account for all fees collected from employers pursuant to the Worker and Community Right to Know Act. Monies in the Fund are allocated for expenses incurred in connection with the Act's provisions by the Department of Health and Senior Services, Department of Environmental Protection, Department of Labor and Workforce Development, and the Department of the Treasury.

**STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF GROSS CAPITAL ASSETS BY FUNCTION
JUNE 30, 2004**

| | <u>Land</u> | <u>Land Improvements</u> | <u>Buildings and Improvements</u> |
|--|------------------------------|------------------------------|---|
| FUNCTION: | | | |
| Public safety and criminal justice | \$ 8,765,863 | \$ 49,607,261 | \$ 886,746,781 |
| Physical and mental health | 3,090,008 | 6,263,196 | 358,904,519 |
| Educational, cultural, and intellectual development | 23,840,793 | 1,174,502 | 148,904,914 |
| Community development and environmental management | 598,645,444 | 20,194,029 | 139,094,337 |
| Economic planning, development, and security | 279,100 | -- | 56,356,836 |
| Transportation programs | 7,899,797 | 1,655,790 | 165,739,565 |
| Government direction, management, and control | 8,916,204 | 5,176,807 | 932,045,445 |
| Special government services | -- | -- | -- |
| Construction in progress | -- | -- | -- |
| Total Gross Capital Assets By Function | <u><u>\$ 651,437,209</u></u> | <u><u>\$ 84,071,585</u></u> | <u><u>\$ 2,687,792,397</u></u> |

| Machinery and Equipment | Infrastructure | Construction in Progress | Total |
|--|--------------------------|-------------------------------------|--------------------------|
| \$ 73,920,810 | \$ 19,934,112 | \$ -- | \$ 1,038,974,827 |
| 20,809,101 | -- | -- | 389,066,824 |
| 15,109,854 | 2,361,000 | -- | 191,391,063 |
| 13,344,020 | -- | -- | 771,277,830 |
| 5,227,561 | -- | -- | 61,863,497 |
| 99,854,674 | 14,231,656,299 | -- | 14,506,806,125 |
| 76,260,218 | -- | -- | 1,022,398,674 |
| 558,303 | -- | -- | 558,303 |
| -- | 1,681,457,199 | 348,352,893 | 2,029,810,092 |
| <u>\$ 305,084,541</u> | <u>\$ 15,935,408,610</u> | <u>\$ 348,352,893</u> | <u>\$ 20,012,147,235</u> |

**STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF GROSS CAPITAL ASSETS BY SOURCE
JUNE 30, 2004**

| | <u>Land</u> | <u>Land Improvements</u> | <u>Buildings and Improvements</u> |
|---|------------------------------|------------------------------|---|
| INVESTMENT IN GENERAL FIXED ASSETS: | | | |
| ACQUIRED ON OR BEFORE JUNE 30, 1988: | \$ 188,666,581 | \$ 41,119,652 | \$ 799,996,646 |
| ACQUIRED AFTER JUNE 30, 1988 FROM: | | | |
| State revenues | 69,033,811 | 39,140,397 | 1,555,785,629 |
| General obligation bonds | 375,635,508 | 247,500 | 284,930,670 |
| Federal revenues | 11,001,171 | 763,531 | 33,654,818 |
| Donations | -- | 2,500,000 | 3,261,200 |
| Other | 7,100,138 | 300,505 | 10,163,434 |
| Construction in progress | -- | -- | -- |
| Infrastructure | -- | -- | -- |
| TOTAL SOURCES | <u>462,770,628</u> | <u>42,951,933</u> | <u>1,887,795,751</u> |
| Total Gross Capital Assets By Source | <u><u>\$ 651,437,209</u></u> | <u><u>\$ 84,071,585</u></u> | <u><u>\$ 2,687,792,397</u></u> |

NOTE: June 30, 1988 represents the beginning of the first year in which the Fixed Asset System was used.

The schedule does not reflect the funding sources for the infrastructure and construction in progress accounts.

| Machinery and Equipment | Infrastructure | Construction in Progress | Total |
|--|--------------------------|-------------------------------------|--------------------------|
| \$ 43,263,076 | \$ 4,815,780,183 | \$ -- | \$ 5,888,826,138 |
| 242,935,594 | -- | -- | 1,906,895,431 |
| 5,304,132 | -- | -- | 666,117,810 |
| 3,134,384 | -- | -- | 48,553,904 |
| 337,394 | -- | -- | 6,098,594 |
| 10,109,961 | -- | -- | 27,674,038 |
| -- | 1,681,457,199 | 348,352,893 | 2,029,810,092 |
| -- | 9,438,171,228 | -- | 9,438,171,228 |
| <u>261,821,465</u> | <u>11,119,628,427</u> | <u>348,352,893</u> | <u>14,123,321,097</u> |
| <u>\$ 305,084,541</u> | <u>\$ 15,935,408,610</u> | <u>\$ 348,352,893</u> | <u>\$ 20,012,147,235</u> |

**STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF CHANGES IN GROSS CAPITAL ASSETS BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | Balance July 1, 2003 | | Additions | | Deletions | | Balance June 30, 2004 |
|---|---------------------------------|-----------|----------------------|-----------|--------------------|-----------|----------------------------------|
| FUNCTION: | | | | | | | |
| Public safety and criminal justice | \$ 1,015,618,758 | \$ | 24,761,170 | \$ | 1,405,101 | \$ | 1,038,974,827 |
| Physical and mental health | 383,027,725 | | 7,012,475 | | 973,376 | | 389,066,824 |
| Educational, cultural, and intellectual development | 188,667,826 | | 2,723,237 | | -- | | 191,391,063 |
| Community development and environmental management | 691,465,220 | | 80,273,077 | | 460,467 | | 771,277,830 |
| Economic planning, development, and security | 61,579,618 | | 283,879 | | -- | | 61,863,497 |
| Transportation programs | 13,811,564,835 | | 697,001,576 | | 1,760,286 | | 14,506,806,125 |
| Government direction, management, and control | 928,776,206 | | 121,956,412 | | 28,333,944 | | 1,022,398,674 |
| Special government services | 558,303 | | -- | | -- | | 558,303 |
| Construction in progress | 1,616,854,713 | | 849,503,823 | | 436,548,444 | | 2,029,810,092 |
| Total Gross Capital Assets By Function | \$ 18,698,113,204 | \$ | 1,783,515,649 | \$ | 469,481,618 | \$ | 20,012,147,235 |

**STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF CHANGES IN ACCUMULATED DEPRECIATION BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | Balance July 1, 2003 | Depreciation Expense | Disposals | Balance June 30, 2004 |
|--|-------------------------|-------------------------|---------------------|--------------------------|
| FUNCTION: | | | | |
| Public safety and criminal justice | \$ 467,719,790 | \$ 28,744,230 | 188,312 | \$ 496,275,708 |
| Physical and mental health | 227,842,854 | 8,756,535 | 23,638 | 236,575,751 |
| Educational, cultural, and intellectual development | 57,279,474 | 3,907,758 | -- | 61,187,232 |
| Community development and environmental management | 91,785,118 | 6,032,633 | 161,895 | 97,655,856 |
| Economic planning, development, and security | 34,017,321 | 2,491,660 | -- | 36,508,981 |
| Transportation programs | 4,445,168,521 | 324,439,856 | 188,224 | 4,769,420,153 |
| Government direction, management, and control | 413,064,388 | 49,730,281 | 6,148,419 | 456,646,250 |
| Special government services | 395,424 | 39,169 | -- | 434,593 |
| Total Accumulated Depreciation By Function | \$ 5,737,272,890 | \$ 424,142,122 | \$ 6,710,488 | \$ 6,154,704,524 |

**STATE OF NEW JERSEY
SCHEDULE OF OUTSTANDING GENERAL OBLIGATION BONDS
JUNE 30, 2004**

| <u>GENERAL OBLIGATION BOND ACT</u> | <u>YEAR AUTHORIZED</u> | <u>AMOUNT AUTHORIZED (1)</u> |
|---|-----------------------------------|---|
| Beaches and Harbor | 1977 | \$ 30,000,000 |
| Clean Waters | 1976 | 120,000,000 |
| Community Development | 1982 | 85,000,000 |
| Dam, Lake, Stream, Flood Control, Water Resources and Wastewater Treatment Project Bonds | 2003 | 200,000,000 |
| Developmental Disabilities Waiting List | | |
| Reduction and Human Services Facilities Construction | 1994 | 160,000,000 |
| Emergency Flood Control | 1978 | 25,000,000 |
| Energy Conservation | 1980 | 50,000,000 |
| Hazardous Discharge | 1981 | 100,000,000 |
| Hazardous Discharge | 1986 | 200,000,000 |
| Institutional Construction | 1978 | 100,000,000 |
| Institutions Construction | 1976 | 80,000,000 |
| Jobs, Education and Competitiveness | 1988 | 350,000,000 |
| Natural Resources | 1980 | 145,000,000 |
| New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation | 1989 | 115,000,000 |
| New Jersey Green Acres | 1983 | 135,000,000 |
| New Jersey Green Acres Cultural Centers and Historic Preservation | 1987 | 100,000,000 |
| New Jersey Green Acres, Clean Waters, Farmland and Historic Preservation | 1992 | 345,000,000 |
| 1995 New Jersey Green Acres, Farmland and Historic Preservation, and Blue Acres | 1995 | 340,000,000 |
| New Jersey Human Services Facilities Construction | 1984 | 60,000,000 |
| New Jersey Open Space Preservation | 1989 | 300,000,000 |
| Pinelands Infrastructure Trust | 1985 | 30,000,000 |
| Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development | 1996 | 300,000,000 |
| Public Purpose Buildings and Community-Based Facilities Construction | 1989 | 125,000,000 |
| Refunding Bonds | 1985 | 4,466,185,000 |
| Resource Recovery and Solid Waste Disposal Facility | 1985 | 85,000,000 |
| Shore Protection | 1983 | 50,000,000 |
| State Land Acquisition and Development | 1978 | 200,000,000 |
| State Mortgage Assistance | 1976 | 25,000,000 |
| State Recreation and Conservation Land Acquisition and Development | 1974 | 200,000,000 |
| State Transportation | 1968 | 640,000,000 |
| Statewide Transportation and Local Bridge Fund | 1999 | 500,000,000 |
| Stormwater Management and Combined Sewer Overflow Abatement | 1989 | 50,000,000 |
| Transportation Rehabilitation and Improvement | 1979 | 475,000,000 |
| Urban and Rural Centers Unsafe Buildings Demolition Bonds | 1997 | 20,000,000 |
| Water Conservation | 1969 | 271,000,000 |
| Water Supply | 1981 | 350,000,000 |
| TOTAL | | \$ 10,827,185,000 |

(1) An additional \$1,000,000 Emergency Housing Bonds (Act of 1946) remain authorized but are not to be issued.

(2) Retired includes bonds for which provision for payment have been made through the sale and issuance of refunding bonds.

| AMOUNT UNISSUED | AMOUNT RETIRED (2) | AMOUNT OUTSTANDING |
|----------------------------|-------------------------------|-------------------------------|
| \$ - | \$ 29,400,000 | \$ 600,000 |
| 5,000,000 | 114,209,000 | 791,000 |
| - | 82,302,000 | 2,698,000 |
| 200,000,000 | - | - |
| 5,000,000 | 80,814,000 | 74,186,000 |
| - | 25,000,000 | - |
| 1,600,000 | 46,925,000 | 1,475,000 |
| 43,000,000 | 53,221,000 | 3,779,000 |
| 48,000,000 | 83,203,000 | 68,797,000 |
| - | 99,400,000 | 600,000 |
| - | 78,800,000 | 1,200,000 |
| - | 320,418,000 | 29,582,000 |
| 9,600,000 | 101,172,000 | 34,228,000 |
| - | 90,437,000 | 24,563,000 |
| 14,500,000 | 119,995,000 | 505,000 |
| 9,000,000 | 85,060,000 | 5,940,000 |
| 26,780,000 | 196,080,000 | 122,140,000 |
| 25,500,000 | 152,775,000 | 161,725,000 |
| - | 59,357,000 | 643,000 |
| 26,000,000 | 232,354,000 | 41,646,000 |
| 8,000,000 | 22,000,000 | - |
| 199,000,000 | 32,550,000 | 68,450,000 |
| 5,000,000 | 101,295,000 | 18,705,000 |
| - | 2,286,700,259 | 2,179,484,741 |
| - | 69,975,000 | 15,025,000 |
| - | 49,856,000 | 144,000 |
| 1,500,000 | 193,850,000 | 4,650,000 |
| - | 24,600,000 | 400,000 |
| - | 198,371,000 | 1,629,000 |
| - | 640,000,000 | - |
| - | 165,515,000 | 334,485,000 |
| 21,500,000 | 19,515,000 | 8,985,000 |
| - | 466,857,000 | 8,143,000 |
| - | 3,030,000 | 16,970,000 |
| - | 267,069,000 | 3,931,000 |
| 93,400,000 | 256,600,000 | - |
| <u>\$ 742,380,000</u> | <u>\$ 6,848,705,259</u> | <u>\$ 3,236,099,741</u> |

**STATE OF NEW JERSEY
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | YEAR AUTHORIZED | OUTSTANDING JULY 1, 2003 |
|---|----------------------------|-------------------------------------|
| General Obligation Bond Act: | | |
| Beaches and Harbor | 1977 | \$ 1,100,000 |
| Clean Waters | 1976 | 3,721,000 |
| Community Development | 1982 | 4,699,000 |
| Developmentally Disabled Waiting List | | |
| Reduction and Human Services Facilities Construction | 1994 | 74,711,000 |
| Emergency Flood Control | 1978 | 450,000 |
| Energy Conservation | 1980 | 1,525,000 |
| Hazardous Discharge | 1981 | 5,463,000 |
| Hazardous Discharge | 1986 | 45,790,000 |
| Institutional Construction | 1978 | 1,800,000 |
| Institutions Construction | 1976 | 3,100,000 |
| Jobs, Education and Competitiveness | 1988 | 53,368,000 |
| Natural Resources | 1980 | 31,712,000 |
| New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation | 1989 | 32,644,000 |
| New Jersey Green Acres | 1983 | 785,000 |
| New Jersey Green Acres, Cultural Centers and Historic Preservation | 1987 | 6,455,000 |
| New Jersey Green Acres, Clean Waters, Farmland and Historic Preservation | 1992 | 130,289,000 |
| 1995 New Jersey Green Acres, Farmland and Historic Preservation, and Blue Acres | 1995 | 144,245,000 |
| New Jersey Human Services Facilities Construction | 1984 | 1,879,000 |
| New Jersey Open Space Preservation | 1989 | 62,478,000 |
| Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development | 1996 | 27,435,000 |
| Public Purpose Buildings and Community-Based Facilities Construction | 1989 | 20,630,000 |
| Refunding Bonds | 1985 | 2,221,814,153 |
| Resource Recovery and Solid Waste Disposal Facility | 1985 | 16,850,000 |
| Shore Protection | 1983 | 420,000 |
| State Land Acquisition and Development | 1978 | 8,227,000 |
| State Mortgage Assistance | 1976 | 1,000,000 |
| State Recreation and Conservation Land Acquisition and Development | 1974 | 4,753,000 |
| State Transportation | 1968 | 1,000,000 |
| Statewide Transportation and Local Bridge Fund | 1999 | 334,025,000 |
| Stormwater Management and Combined Sewer Overflow Abatement | 1989 | 10,030,000 |
| Transportation Rehabilitation and Improvement | 1979 | 15,260,000 |
| Urban and Rural Centers Unsafe Buildings Demolition Bonds | 1997 | 20,000,000 |
| Water Conservation | 1969 | 6,516,000 |
| Subtotal General Obligation Bond Act | | 3,294,174,153 |
| Other Debt: | | |
| Revenue Bonds Payable | -- | 6,231,943,452 |
| Accumulated Sick and Vacation Payable | -- | 449,934,048 |
| Capital Leases (1) | -- | 642,291,373 |
| Installment Obligations | -- | 6,341,261,534 |
| Certificates of Participation | -- | 81,661,849 |
| Loans Payable | -- | 1,279,358,087 |
| Net Pension Obligation | -- | 115,033,037 |
| Unamortized Premium | -- | 365,248,334 |
| Unamortized Deferral on Refunding | -- | (211,909,490) |
| Other | -- | 332,018,444 |
| Tobacco Settlement Financing Corporation Bonds Payable (2) | -- | 3,345,107,347 |
| Subtotal Other Debt | | 18,971,948,015 |
| TOTAL | | \$ 22,266,122,168 |

(1) July 1, 2003 was restated to include \$99.6 million of capital leases excluded from prior year's balance.

(2) July 1, 2003 was restated to include \$3.3 billion of Tobacco Settlement Financing Corporation bonds in accordance with GASB Technical Bulletin 2004-1.

| ADDITIONS | DEDUCTIONS | OUTSTANDING JUNE 30, 2004 |
|-------------------------|-------------------------|------------------------------|
| \$ - | \$ 500,000 | \$ 600,000 |
| - | 2,930,000 | 791,000 |
| - | 2,001,000 | 2,698,000 |
| 14,000,000 | 14,525,000 | 74,186,000 |
| - | 450,000 | - |
| 500,000 | 550,000 | 1,475,000 |
| - | 1,684,000 | 3,779,000 |
| 40,000,000 | 16,993,000 | 68,797,000 |
| - | 1,200,000 | 600,000 |
| - | 1,900,000 | 1,200,000 |
| - | 23,786,000 | 29,582,000 |
| 7,500,000 | 4,984,000 | 34,228,000 |
| - | 8,081,000 | 24,563,000 |
| - | 280,000 | 505,000 |
| - | 515,000 | 5,940,000 |
| 28,000,000 | 36,149,000 | 122,140,000 |
| 37,000,000 | 19,520,000 | 161,725,000 |
| - | 1,236,000 | 643,000 |
| 3,000,000 | 23,832,000 | 41,646,000 |
| 44,000,000 | 2,985,000 | 68,450,000 |
| - | 1,925,000 | 18,705,000 |
| 159,385,000 | 201,714,412 | 2,179,484,741 |
| - | 1,825,000 | 15,025,000 |
| - | 276,000 | 144,000 |
| - | 3,577,000 | 4,650,000 |
| - | 600,000 | 400,000 |
| - | 3,124,000 | 1,629,000 |
| - | 1,000,000 | - |
| 41,000,000 | 40,540,000 | 334,485,000 |
| - | 1,045,000 | 8,985,000 |
| - | 7,117,000 | 8,143,000 |
| - | 3,030,000 | 16,970,000 |
| - | 2,585,000 | 3,931,000 |
| <u>374,385,000</u> | <u>432,459,412</u> | <u>3,236,099,741</u> |
| 1,114,760,000 | 396,650,836 | 6,950,052,616 |
| 241,816,520 | 225,624,537 | 466,126,031 |
| 102,711,738 | 53,484,244 | 691,518,867 |
| 1,850,221,361 | 277,056,620 | 7,914,426,275 |
| 40,668,944 | 44,939,374 | 77,391,419 |
| - | - | 1,279,358,087 |
| 246,105,820 | - | 361,138,857 |
| 165,488,617 | 32,096,368 | 498,640,583 |
| (30,841,905) | (18,997,509) | (223,753,886) |
| 377,765,496 | 332,018,444 | 377,765,496 |
| - | 15,700,927 | 3,329,406,420 |
| <u>4,108,696,591</u> | <u>1,358,573,841</u> | <u>21,722,070,765</u> |
| <u>\$ 4,483,081,591</u> | <u>\$ 1,791,033,253</u> | <u>\$ 24,958,170,506</u> |

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | CASINO CONTROL FUND | | | |
|--|----------------------------|-------------------------|---|---------------------------------------|
| | Original Budget | Final Budget | Actual Amounts (Budgetary Basis) | Variance with Final Budget |
| REVENUES | | | | |
| Taxes | \$ -- | \$ -- | \$ -- | \$ -- |
| Licenses and fees | 64,702,769 | 62,635,769 | 64,461,079 | 1,825,310 |
| Investment earnings | -- | 180,000 | 184,809 | 4,809 |
| Other | -- | -- | -- | -- |
| Total revenues | 64,702,769 | 62,815,769 | 64,645,888 | 1,830,119 |
| OTHER FINANCING SOURCES | | | | |
| Transfers from other funds | -- | -- | -- | -- |
| Total other financing sources | -- | -- | -- | -- |
| Total revenues and other financing sources | 64,702,769 | 62,815,769 | 64,645,888 | 1,830,119 |
| EXPENDITURES | | | | |
| Public safety and criminal justice | 35,854,148 | 36,730,428 | 37,265,566 | (535,138) |
| Physical and mental health | -- | -- | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | -- | -- |
| Economic planning, development, and security | -- | -- | -- | -- |
| Transportation programs | -- | -- | -- | -- |
| Government direction, management, and control | 28,848,621 | 28,076,341 | 28,074,079 | 2,262 |
| Special government services | -- | -- | -- | -- |
| Total expenditures | 64,702,769 | 64,806,769 | 65,339,645 | (532,876) |
| OTHER FINANCING USES | | | | |
| Transfers to other funds | -- | -- | -- | -- |
| Total other financing uses | -- | -- | -- | -- |
| Total expenditures and other financing uses | 64,702,769 | 64,806,769 | 65,339,645 | (532,876) |
| Net change in fund balance | -- | (1,991,000) | (693,757) | 1,297,243 |
| FUND BALANCES - JULY 1, 2003 | -- | 4,329,636 | 4,329,636 | -- |
| FUND BALANCE - JUNE 30, 2004 | \$ -- | \$ 2,338,636 | \$ 3,635,879 | \$ 1,297,243 |

| CASINO REVENUE FUND | | | |
|---------------------|-----------------|--|-------------------------------|
| Original Budget | Final Budget | Actual Amounts (Budgetary Basis) | Variance with Final Budget |
| \$ 448,000,000 | \$ 454,000,000 | \$ 467,281,911 | \$ 13,281,911 |
| -- | -- | -- | -- |
| -- | -- | 79,047 | 79,047 |
| 127,945,096 | 127,945,096 | 127,930,866 | (14,230) |
| 575,945,096 | 581,945,096 | 595,291,824 | 13,346,728 |
| 700,000 | 700,000 | 700,000 | -- |
| 700,000 | 700,000 | 700,000 | -- |
| 576,645,096 | 582,645,096 | 595,991,824 | 13,346,728 |
| -- | -- | -- | -- |
| 508,745,138 | 510,360,140 | 507,176,730 | 3,183,410 |
| 38,409,000 | 38,561,000 | 38,307,785 | 253,215 |
| 2,440,000 | 2,459,000 | 2,440,000 | 19,000 |
| 25,458,002 | 25,572,000 | 25,458,000 | 114,000 |
| -- | -- | -- | -- |
| 92,956 | 92,956 | 92,953 | 3 |
| 575,145,096 | 577,045,096 | 573,475,468 | 3,569,628 |
| -- | 5,600,000 | -- | 5,600,000 |
| -- | 5,600,000 | -- | 5,600,000 |
| 575,145,096 | 582,645,096 | 573,475,468 | 9,169,628 |
| 1,500,000 | -- | 22,516,356 | 22,516,356 |
| -- | -- | -- | -- |
| \$ 1,500,000 | \$ -- | \$ 22,516,356 | \$ 22,516,356 |

(Continued on next page)

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE (Continued)
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | GOVERNMENTAL ELECTIONS FUND | | | |
|--|------------------------------------|-------------------------|---|---------------------------------------|
| | Original Budget | Final Budget | Actual Amounts (Budgetary Basis) | Variance with Final Budget |
| REVENUES | | | | |
| Taxes | \$ -- | \$ -- | \$ -- | \$ -- |
| Licenses and fees | -- | -- | -- | -- |
| Investment earnings | -- | -- | -- | -- |
| Other | 1,500,000 | 1,500,000 | 603,441 | (896,559) |
| Total revenues | 1,500,000 | 1,500,000 | 603,441 | (896,559) |
| OTHER FINANCING SOURCES | | | | |
| Transfers from other funds | -- | -- | -- | -- |
| Total other financing sources | -- | -- | -- | -- |
| Total revenues and other financing sources | 1,500,000 | 1,500,000 | 603,441 | (896,559) |
| EXPENDITURES | | | | |
| Public safety and criminal justice | -- | -- | -- | -- |
| Physical and mental health | -- | -- | -- | -- |
| Educational, cultural, and intellectual development | -- | -- | -- | -- |
| Economic planning, development, and security | -- | -- | -- | -- |
| Transportation programs | -- | -- | -- | -- |
| Government direction, management, and control | -- | -- | -- | -- |
| Special government services | -- | -- | -- | -- |
| Total expenditures | -- | -- | -- | -- |
| OTHER FINANCING USES | | | | |
| Transfers to other funds | -- | -- | -- | -- |
| Total other financing uses | -- | -- | -- | -- |
| Total expenditures and other financing uses | -- | -- | -- | -- |
| Net change in fund balance | 1,500,000 | 1,500,000 | 603,441 | (896,559) |
| FUND BALANCES - JULY 1, 2003 | 1,500,000 | 706,237 | 706,237 | -- |
| FUND BALANCE - JUNE 30, 2004 | <u>\$ 3,000,000</u> | <u>\$ 2,206,237</u> | <u>\$ 1,309,678</u> | <u>\$ (896,559)</u> |

TOTAL NON-MAJOR GOVERNMENTAL FUNDS

| Original Budget | Final Budget | Actual Amounts (Budgetary Basis) | Variance with Final Budget |
|----------------------------|-------------------------|---|---------------------------------------|
| \$ 448,000,000 | \$ 454,000,000 | \$ 467,281,911 | \$ 13,281,911 |
| 64,702,769 | 62,635,769 | 64,461,079 | 1,825,310 |
| -- | 180,000 | 263,856 | 83,856 |
| 129,445,096 | 129,445,096 | 128,534,307 | (910,789) |
| 642,147,865 | 646,260,865 | 660,541,153 | 14,280,288 |
| 700,000 | 700,000 | 700,000 | -- |
| 700,000 | 700,000 | 700,000 | -- |
| 642,847,865 | 646,960,865 | 661,241,153 | 14,280,288 |
| 35,854,148 | 36,730,428 | 37,265,566 | (535,138) |
| 508,745,138 | 510,360,140 | 507,176,730 | 3,183,410 |
| 38,409,000 | 38,561,000 | 38,307,785 | 253,215 |
| 2,440,000 | 2,459,000 | 2,440,000 | 19,000 |
| 25,458,002 | 25,572,000 | 25,458,000 | 114,000 |
| 28,848,621 | 28,076,341 | 28,074,079 | 2,262 |
| 92,956 | 92,956 | 92,953 | 3 |
| 639,847,865 | 641,851,865 | 638,815,113 | 3,036,752 |
| -- | 5,600,000 | -- | 5,600,000 |
| -- | 5,600,000 | -- | 5,600,000 |
| 639,847,865 | 647,451,865 | 638,815,113 | 8,636,752 |
| 3,000,000 | (491,000) | 22,426,040 | 22,917,040 |
| 1,500,000 | 5,035,873 | 5,035,873 | -- |
| <u>\$ 4,500,000</u> | <u>\$ 4,544,873</u> | <u>\$ 27,461,913</u> | <u>\$ 22,917,040</u> |

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--NON-MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

**Explanation of differences between budgetary inflows and outflows
and GAAP revenues and expenditures**

| | Casino Control Fund | Casino Revenue Fund | Gubernatorial Elections Fund |
|---|------------------------------------|------------------------------------|---|
| Sources/inflows of resources: | | | |
| Total revenues and other financing sources--actual amounts (budgetary basis) from the budgetary comparison schedule | \$64,645,888 | \$595,991,824 | \$603,441 |
| Differences--budget to GAAP: | | | |
| No reconciling items. | -- | -- | -- |
| | <hr/> | <hr/> | <hr/> |
| Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds | <u>\$64,645,888</u> | <u>\$595,991,824</u> | <u>\$603,441</u> |
| Uses/outflows of resources: | | | |
| Total expenditures and other financing uses--actual amounts (budgetary basis) from the budgetary comparison schedule | \$65,339,645 | \$573,475,468 | \$ -- |
| Differences--budget to GAAP: | | | |
| Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes. | (1,706,592) | (25,800,267) | -- |
| Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes. | 1,247,158 | 25,873,876 | -- |
| Loans and travel advances are outflows of budgetary resources but are not expenditures for financial reporting purposes. | (23,373) | -- | -- |
| Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes. | <u>23,373</u> | <u>--</u> | <u>--</u> |
| Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds | <u>\$64,880,211</u> | <u>\$573,549,077</u> | <u>\$ --</u> |

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**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | ANTICIPATED | REALIZED TO JUNE 30, 2004 | | REALIZATION |
|--|------------------|---------------------------|---------|---------------|
| | TO | | | OVER (UNDER) |
| | JUNE 30, 2004 | AMOUNT | PERCENT | ANTICIPATION |
| MAJOR TAXES | | | | |
| Sales | \$ 6,165,000,000 | \$ 6,261,700,380 | 101 | \$ 96,700,380 |
| Corporation Business | 2,055,000,000 | 2,370,169,715 | 115 | 315,169,715 |
| Motor Fuels | 544,000,000 | 566,830,724 | 104 | 22,830,724 |
| Motor Vehicle Fees | 233,094,000 | 235,254,177 | 100 | 2,160,177 |
| Transfer Inheritance | 433,000,000 | 516,007,975 | 119 | 83,007,975 |
| Insurance Premiums | 420,000,000 | 417,872,602 | 99 | (2,127,398) |
| Cigarette | 635,000,000 | 612,167,296 | 96 | (22,832,704) |
| Petroleum Products Gross Receipts | 225,000,000 | 216,247,008 | 96 | (8,752,992) |
| Corporation Banks and Financial Institutions | 131,000,000 | 141,432,025 | 107 | 10,432,025 |
| Alcoholic Beverage Excise | 83,000,000 | 87,357,152 | 105 | 4,357,152 |
| Realty Transfer | 172,000,000 | 227,064,302 | 132 | 55,064,302 |
| Savings Institutions | 5,000,000 | (11,912,325) | (238) | (16,912,325) |
| Tobacco Products Wholesale Sales | 13,000,000 | 10,345,355 | 79 | (2,654,645) |
| Public Utility Excise | 8,700,000 | 9,320,698 | 107 | 620,698 |
| TOTAL MAJOR TAXES | 11,122,794,000 | 11,659,857,084 | 104 | 537,063,084 |
| MISCELLANEOUS TAXES, FEES, REVENUES | | | | |
| Executive Branch: | | | | |
| Department of Agriculture: | | | | |
| Fertilizer Inspection Fees | 291,000 | 291,000 | 100 | -- |
| Miscellaneous Revenue | 4,000 | 4,895 | 122 | 895 |
| Total Department of Agriculture | 295,000 | 295,895 | 100 | 895 |
| Department of Banking and Insurance: | | | | |
| Actuarial Services | 52,000 | 46,101 | 88 | (5,899) |
| Bank Assessments | 3,525,000 | 3,525,000 | 100 | -- |
| Banking Examination Fees | 2,262,000 | 2,262,000 | 100 | -- |
| Banking Licenses and Other Fees | 5,500,000 | 5,500,000 | 100 | -- |
| FAIR Act Administration | 14,500,000 | 16,862,997 | 116 | 2,362,997 |
| Fraud Fines | -- | 1,955,023 | -- | 1,955,023 |
| Insurance Examination Billings | 2,000,000 | 1,750,322 | 87 | (249,678) |
| Insurance Fraud Prevention | 33,843,000 | 33,240,230 | 98 | (602,770) |
| Insurance Licenses and Other Fees | 12,330,000 | 12,086,004 | 98 | (243,996) |
| Insurance Special Purpose Assessment | 16,921,000 | 14,969,315 | 88 | (1,951,685) |
| Real Estate Commission | 7,600,000 | 10,318,193 | 135 | 2,718,193 |
| Total Department of Banking and Insurance | 98,533,000 | 102,515,185 | 104 | 3,982,185 |

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | ANTICIPATED TO JUNE 30, 2004 | REALIZED TO JUNE 30, 2004 | | REALIZATION OVER (UNDER) ANTICIPATION |
|--|------------------------------------|---------------------------|------------|---|
| | | AMOUNT | PERCENT | |
| Department of Community Affairs: | | | | |
| Affordable Housing and Neighborhood Preservation Fair Housing | 19,439,000 | 19,439,000 | 100 | -- |
| Boarding Home Fees | 368,000 | 515,133 | 139 | 147,133 |
| Construction Fees | 11,950,000 | 11,950,001 | 100 | 1 |
| Divorce Filing Fees | 1,202,000 | 1,265,100 | 105 | 63,100 |
| Fire Safety | 14,405,000 | 14,405,000 | 100 | -- |
| Housing Inspection Fees | 7,256,000 | 7,256,000 | 100 | -- |
| Miscellaneous Revenue | -- | 50 | -- | 50 |
| Planned Real Estate Development Fees | 828,000 | 828,000 | 100 | -- |
| Total Department of Community Affairs | 55,448,000 | 55,658,284 | 100 | 210,284 |
| Department of Corrections: | | | | |
| Miscellaneous Revenue | -- | 5,490 | -- | 5,490 |
| Total Department of Corrections | -- | 5,490 | -- | 5,490 |
| Department of Education: | | | | |
| Audit Recoveries | 1,000,000 | 689,593 | 68 | (310,407) |
| Audit of Enrollments | 1,600,000 | 1,288,224 | 80 | (311,776) |
| Local School District Loan Recoveries-NJEDA | 9,231,000 | 9,186,196 | 99 | (44,804) |
| Miscellaneous Revenue | 125,000 | 115,885 | 92 | (9,115) |
| Nonpublic Schools Handicapped and Auxiliary Recoveries | 5,000,000 | 12,808,892 | 256 | 7,808,892 |
| Nonpublic Schools Textbook Recoveries | 1,365,000 | 1,522,577 | 111 | 157,577 |
| School Construction Inspection Fees | 2,993,000 | 2,993,000 | 100 | -- |
| State Board of Examiners | 2,475,000 | 2,475,000 | 100 | -- |
| Total Department of Education | 23,789,000 | 31,079,367 | 130 | 7,290,367 |
| Department of Environmental Protection: | | | | |
| Air Pollution Fees and Fines | 21,880,000 | 22,913,698 | 104 | 1,033,698 |
| Clean Water Enforcement Act | 2,700,000 | 2,157,442 | 79 | (542,558) |
| Coastal Area Development Review Act | 1,880,000 | 1,666,792 | 88 | (213,208) |
| Endangered Species Tax Check-Off | 225,000 | 225,000 | 100 | -- |
| Environmental Infrastructure Financing Program - Administrative Fee | 5,000,000 | 5,000,000 | 100 | -- |
| Excess Diversion | 240,000 | 328,009 | 136 | 88,009 |
| Freshwater Wetlands Fees | 2,600,000 | 3,567,957 | 137 | 967,957 |
| Freshwater Wetlands Fines | 45,000 | 96,698 | 214 | 51,698 |
| Hazardous Waste Fees | 3,800,000 | 2,436,993 | 64 | (1,363,007) |

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | ANTICIPATED | REALIZED TO JUNE 30, 2004 | | REALIZATION |
|---|---------------------|---------------------------|-----------|------------------------------|
| | TO JUNE 30, 2004 | AMOUNT | PERCENT | OVER (UNDER) ANTICIPATION |
| Hazardous Waste Fines | 500,000 | 984,437 | 196 | 484,437 |
| Hunters' and Anglers' Licenses | 12,800,000 | 12,162,395 | 95 | (637,605) |
| Industrial Site Recovery Act | 1,200,000 | 1,209,494 | 100 | 9,494 |
| Laboratory Certification Fees | 1,600,000 | 791,014 | 49 | (808,986) |
| Laboratory Certification Fines | 25,000 | 12,500 | 50 | (12,500) |
| Marina Rentals | 900,000 | 900,000 | 100 | -- |
| Marine Lands - Preparation and Filing Fees | 175,000 | 103,877 | 59 | (71,123) |
| Medical Waste | 3,700,000 | 4,079,335 | 110 | 379,335 |
| Miscellaneous Revenue | -- | (13,579) | -- | (13,579) |
| New Jersey Pollutant Discharge Elimination System/Stormwater Permits | 11,850,000 | 12,155,720 | 102 | 305,720 |
| Parks Management Fees and Permits | 4,300,000 | 4,300,115 | 100 | 115 |
| Parks Management Fines | 185,000 | 160,753 | 86 | (24,247) |
| Pesticide Control Fees | 4,000,000 | 4,277,750 | 106 | 277,750 |
| Pesticide Control Fines | 30,000 | 59,180 | 197 | 29,180 |
| Radiation Protection Fees | 3,418,000 | 3,325,572 | 97 | (92,428) |
| Radiation Protection Fines | 65,000 | 87,870 | 135 | 22,870 |
| Radon Testers Certification | 275,000 | 238,015 | 86 | (36,985) |
| Shellfish and Marine Fisheries | 7,000 | 10,125 | 144 | 3,125 |
| Solid and Hazardous Waste Disclosure | 3,708,000 | 2,979,270 | 80 | (728,730) |
| Solid Waste - Utility Regulation Assessments | 3,100,000 | 3,206,981 | 103 | 106,981 |
| Solid Waste Fines | 900,000 | 577,981 | 64 | (322,019) |
| Solid Waste Management Fees | 8,207,000 | 4,569,231 | 55 | (3,637,769) |
| Spring Meadow Golf Course | 300,000 | 300,000 | 100 | -- |
| Stream Encroachment | 2,600,000 | 1,717,120 | 66 | (882,880) |
| Stormwater Permits | 5,800,000 | 2,995,370 | 51 | (2,804,630) |
| Toxic Catastrophe Prevention Fees | 1,200,000 | 1,237,196 | 103 | 37,196 |
| Toxic Catastrophe Prevention Fines | 25,000 | 68,650 | 274 | 43,650 |
| Treatment Works Approval | 2,073,000 | 1,629,298 | 78 | (443,702) |
| Underground Storage Tanks Fees | 705,000 | 1,062,061 | 150 | 357,061 |
| Water Allocation | 2,000,000 | 3,196,672 | 159 | 1,196,672 |
| Water Supply Management Regulations | 1,600,000 | 1,530,414 | 95 | (69,586) |
| Water/Wastewater Operators Licenses | 215,000 | 214,523 | 99 | (477) |
| Waterfront Development Fees | 2,400,000 | 2,133,317 | 88 | (266,683) |
| Well Permits/Well Drillers/ Pump Installers Licenses | 1,200,000 | 982,215 | 81 | (217,785) |
| Wetlands | 26,000 | 24,393 | 93 | (1,607) |
| Worker Community Right to Know Fines | 60,000 | 15,220 | 25 | (44,780) |
| Total Department of Environmental Protection | 119,519,000 | 111,677,074 | 93 | (7,841,926) |

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | ANTICIPATED TO JUNE 30, 2004 | REALIZED TO JUNE 30, 2004 | | REALIZATION OVER (UNDER) ANTICIPATION |
|---|------------------------------------|---------------------------|------------|---|
| | | AMOUNT | PERCENT | |
| Department of Health and Senior Services: | | | | |
| Admission Charge Hospital Assessment | 6,000,000 | 6,000,000 | 100 | -- |
| Charity Care Recovery | -- | 1,181,101 | -- | 1,181,101 |
| Health Care Reform | 1,200,000 | 1,200,000 | 100 | -- |
| HMO Covered Lives | 2,286,000 | 1,739,158 | 76 | (546,842) |
| Licenses, Fines, Permits, Penalties and Fees | 790,000 | 790,000 | 100 | -- |
| Total Department of Health and Senior Services | 10,276,000 | 10,910,259 | 106 | 634,259 |
| Department of Human Services: | | | | |
| Child Care Licensing/Adoption Law | 300,000 | 337,244 | 112 | 37,244 |
| Early Periodic Screening and Diagnostic Treatment | 3,000,000 | 16,207,872 | 540 | 13,207,872 |
| Marriage License Fees | 1,309,000 | 1,266,173 | 96 | (42,827) |
| Medicaid Uncompensated Care-Acute | 253,210,000 | 305,035,000 | 120 | 51,825,000 |
| Medicaid Uncompensated Care-Mental Health | 30,475,000 | 32,413,556 | 106 | 1,938,556 |
| Medicaid Uncompensated Care-Psychiatric | 171,454,000 | 171,087,529 | 99 | (366,471) |
| Medical Assistance-Federal Match on PAAD | | | | |
| Medicaid Dual Eligibles | 2,000,000 | 227,728 | 11 | (1,772,272) |
| Miscellaneous Federal Revenue Initiatives | 15,000,000 | -- | -- | (15,000,000) |
| Miscellaneous Revenue | 700,000 | 156,942 | 22 | (543,058) |
| Patients' and Residents' Cost Recoveries - Developmental Disability | 15,280,000 | 19,481,815 | 127 | 4,201,815 |
| Patients' and Residents' Cost Recoveries - Psychiatric Hospitals | 51,508,000 | 73,829,318 | 36 | 22,321,318 |
| School Based Medicaid | 34,500,000 | 15,764,568 | 45 | (18,735,432) |
| Total Department of Human Services | 578,736,000 | 635,807,745 | 109 | 57,071,745 |
| Department of Labor: | | | | |
| Special Compensation Fund | 1,660,000 | 1,660,000 | 100 | -- |
| Workers' Compensation Assessment | 11,938,000 | 11,938,000 | 100 | -- |
| Workplace Standards - Licenses, Permits and Fines | 2,820,000 | 2,820,000 | 100 | -- |
| Total Department of Labor | 16,418,000 | 16,418,000 | 100 | -- |
| Department of Law and Public Safety: | | | | |
| Beverage Licenses | 3,960,000 | 3,960,000 | 100 | -- |

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | ANTICIPATED TO JUNE 30, 2004 | REALIZED TO JUNE 30, 2004 | | REALIZATION OVER (UNDER) ANTICIPATION |
|---|------------------------------------|---------------------------|---------|---|
| | | AMOUNT | PERCENT | |
| Division of Consumer Affairs: | | | | |
| General Revenues: | | | | |
| Charities Registration Section | 695,000 | 695,000 | 100 | -- |
| Controlled Dangerous Substances | 100,000 | 100,000 | 100 | -- |
| Legalized Games of Chance Control | 1,200,000 | 1,200,000 | 100 | -- |
| Private Employment Agencies | 258,000 | 258,000 | 100 | -- |
| Weights and Measures - General | 2,612,000 | 2,612,000 | 100 | -- |
| Professional Examining Board Fees: | | | | |
| Architects | 375,000 | 375,000 | 100 | -- |
| Audiology and Speech Language Pathology Advisory | 100,000 | 100,000 | 100 | -- |
| Certified Public Accountants | 220,000 | 220,000 | 100 | -- |
| Chiropractors | 450,000 | 450,000 | 100 | -- |
| Cosmetology and Hairstyling | 1,000,000 | 1,000,000 | 100 | -- |
| Dentistry | 850,000 | 850,000 | 100 | -- |
| Electrical Contractors | 120,000 | 120,000 | 100 | -- |
| Marriage Counselor Examiners | 200,000 | 200,000 | 100 | -- |
| Master Plumbers | 300,000 | 182,113 | 60 | (117,887) |
| Medical Examiners | 2,600,000 | 2,600,000 | 100 | -- |
| Mortuary Science | 400,000 | 400,000 | 100 | -- |
| New Jersey Cemetery Board | 50,000 | 50,000 | 100 | -- |
| Nursing | 6,050,000 | 6,050,000 | 100 | -- |
| Occupational Therapists and Assistants | 140,000 | 140,000 | 100 | -- |
| Ophthalmic Dispensers and Ophthalmic Technicians | 135,000 | 135,000 | 100 | -- |
| Optometrists | 75,000 | 75,000 | 100 | -- |
| Orthotics and Prosthesis | 50,000 | 50,000 | 100 | -- |
| Pharmacy | 556,000 | 556,000 | 100 | -- |
| Physical Therapy | 250,000 | 250,000 | 100 | -- |
| Professional Engineers and Land Surveyors | 850,000 | 850,000 | 100 | -- |
| Professional Planners | 75,000 | 75,000 | 100 | -- |
| Psychological Examiners | 225,000 | 217,074 | 96 | (7,926) |
| Real Estate Appraisers | 885,000 | 885,000 | 100 | -- |
| Respiratory Care | 125,000 | 125,000 | 100 | -- |
| Shorthand Reporting | 60,000 | 60,000 | 100 | -- |
| Social Workers | 700,000 | 700,000 | 100 | -- |
| State Board of Psychoanalysts | 50,000 | -- | -- | (50,000) |
| Veterinary Medical Examiners | 150,000 | 150,000 | 100 | -- |

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | ANTICIPATED TO JUNE 30, 2004 | REALIZED TO JUNE 30, 2004 | | REALIZATION OVER (UNDER) ANTICIPATION |
|---|------------------------------------|---------------------------|------------|---|
| | | AMOUNT | PERCENT | |
| Division of State Police: | | | | |
| Fingerprint Fees | 2,694,000 | 2,694,000 | 100 | -- |
| Other Licenses | 204,000 | 229,844 | 112 | 25,844 |
| Private Detective Licenses | 220,000 | 220,000 | 100 | -- |
| Miscellaneous Revenue | -- | 18,915 | -- | 18,915 |
| EDA School Construction Recoveries | 2,829,000 | 822,927 | 29 | (2,006,073) |
| Pleasure Boat Licenses | 3,200,000 | 3,027,996 | 94 | (172,004) |
| Securities Enforcement | 16,047,000 | 16,047,000 | 100 | -- |
| Violent Crime Compensation | 3,930,000 | 3,930,000 | 100 | -- |
| Total Department of Law and Public Safety | 54,990,000 | 52,680,869 | 95 | (2,309,131) |
| Department of Military and Veterans' Affairs: | | | | |
| Soldiers' Homes | 26,823,000 | 29,540,853 | 110 | 2,717,853 |
| Total Department of Military and Veterans' Affairs | 26,823,000 | 29,540,853 | 110 | 2,717,853 |
| Department of State: | | | | |
| Miscellaneous Revenue | -- | 42,119 | -- | 42,119 |
| Total Department of State | -- | 42,119 | -- | 42,119 |
| Department of Transportation: | | | | |
| Air Safety Fund | 965,000 | 965,000 | 100 | -- |
| Applications and Highway Permits | 1,300,000 | 1,300,000 | 100 | -- |
| Auto Body Repair Shop Licensing | 15,000 | 29,840 | 198 | 14,840 |
| Autonomous Transportation Authorities | 24,500,000 | 24,708,334 | 100 | 208,334 |
| Drunk Driving Fines | 350,000 | 368,993 | 105 | 18,993 |
| Good Driver | 61,000,000 | 76,259,420 | 125 | 15,259,420 |
| Graduated Driver's License | 1,600,000 | 1,381,345 | 86 | (218,655) |
| Heavy Duty Diesel Fines | 640,000 | 426,544 | 66 | (213,456) |
| Interest on Purchase of Right-of-Way | 5,000 | 63 | 1 | (4,937) |
| Limo Fees | 10,000,000 | -- | -- | (10,000,000) |
| Logo Sign Program Fees | 300,000 | 300,000 | 100 | -- |
| Miscellaneous Revenue | -- | 50,445 | -- | 50,445 |
| Motor Vehicle Database - Automated Access | 55,327,000 | 49,595,862 | 89 | (5,731,138) |
| Motor Vehicle Inspection Fund | 76,710,000 | 77,701,443 | 101 | 991,443 |
| Motor Vehicle Surcharge Program | 360,000 | 426,433 | 111 | 66,433 |
| Outdoor Advertising | 24,740,000 | 6,652,744 | 26 | (18,087,256) |

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | ANTICIPATED TO JUNE 30, 2004 | REALIZED TO JUNE 30, 2004 | | REALIZATION OVER (UNDER) ANTICIPATION |
|--|------------------------------------|---------------------------|-----------|---|
| | | AMOUNT | PERCENT | |
| Photo Licensing | -- | 46,836 | -- | 46,836 |
| Salvage Title Program | 980,000 | 1,070,920 | 109 | 90,920 |
| Special Plate Fees | 750,000 | 1,024,659 | 136 | 274,659 |
| Tow Truck Marker Fee | -- | 114,350 | -- | 114,350 |
| Uninsured Motorists Program | 3,400,000 | 5,336,902 | 156 | 1,936,902 |
| Total Department of Transportation | 262,942,000 | 247,760,133 | 94 | (15,181,867) |
| Department of the Treasury: | | | | |
| Assessments - Cable TV | 3,738,000 | 3,984,333 | 106 | 246,333 |
| Assessments - Public Utility | 23,494,000 | 24,873,825 | 105 | 1,379,825 |
| Business Personal Property | -- | 19,010 | -- | 19,010 |
| Casino Fines | -- | 577,285 | -- | 577,285 |
| Coin Operated Telephones | 4,200,000 | 3,828,711 | 91 | (371,289) |
| Commercial Recording Expedited | 2,853,000 | 2,853,000 | 100 | -- |
| Commissions | 1,000,000 | 1,314,707 | 131 | 314,707 |
| Dormitory Safety Trust Fund - Debt Service Recovery | 5,270,000 | -- | -- | (5,270,000) |
| Equipment Leasing Fund - Debt Service Recovery | 3,892,000 | 4,083,390 | 104 | 191,390 |
| Escrow Interest - Construction Accounts | 7,000 | 15,272 | 218 | 8,272 |
| General Revenue - Fees | 31,580,000 | 42,664,651 | 135 | 11,084,651 |
| Higher Education Capital Improvement Fund - Debt Service Recovery | 9,287,000 | -- | -- | (9,287,000) |
| Hotel Occupancy Tax | 111,400,000 | 80,972,056 | 72 | (30,427,944) |
| Investment Earnings | -- | 18,388,025 | -- | 18,388,025 |
| Lease and Leaseback | 14,500,000 | -- | -- | (14,500,000) |
| Miscellaneous Revenue | 260,000 | 4,644,952 | 1,786 | 4,384,952 |
| New Jersey Economic Development Authority | 4,000,000 | 22,025,000 | 550 | 18,025,000 |
| New Jersey Redevelopment Authority | 9,000,000 | -- | -- | (9,000,000) |
| Nuclear Emergency Response Assessment | 3,173,000 | 4,011,000 | 126 | 838,000 |
| ODS Mediation Fees | 158,000 | 158,000 | 100 | -- |
| Public Defender Client Receipts | 5,340,000 | 4,499,787 | (15) | (840,213) |
| Public Utility - Customer Specific Tax | 1,998,000 | 1,867,570 | 93 | (130,430) |
| Public Utility Fines | 500,000 | 5,841,086 | 1,168 | 5,341,086 |
| Public Utility Gross Receipts and Franchise Taxes | 69,000,000 | 76,848,959 | 111 | 7,848,959 |
| Railroad Tax: | | | | |
| Class II | 3,700,000 | 3,659,744 | 98 | (40,256) |
| Franchise | 540,000 | 620,559 | 114 | 80,559 |
| Rate Payer Advocate | 6,547,000 | 6,547,000 | 100 | -- |

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | ANTICIPATED TO JUNE 30, 2004 | REALIZED TO JUNE 30, 2004 | | REALIZATION OVER (UNDER) ANTICIPATION |
|--|------------------------------------|---------------------------|------------|---|
| | | AMOUNT | PERCENT | |
| Sale of Real Property | 10,345,000 | -- | -- | (10,345,000) |
| Second Referral Debt Collections - Hospitals | 20,000,000 | -- | -- | (20,000,000) |
| Surplus Property | 950,000 | 950,000 | 100 | -- |
| Transitional Energy Facilities Assessment | 218,300,000 | 249,521,558 | 114 | 31,221,558 |
| Total Department of the Treasury | 565,032,000 | 564,769,480 | 99 | (262,520) |
| Other Sources: | | | | |
| Miscellaneous Revenue | 500,000 | 758,900 | 151 | 258,900 |
| Total Other Sources | 500,000 | 758,900 | 151 | 258,900 |
| Inter-Departmental Accounts: | | | | |
| Administration and Investment of Pension and Health Benefit Funds - Recoveries | 46,000,000 | 47,030,267 | 102 | 1,030,267 |
| Employee Maintenance Deductions | 300,000 | 300,000 | 100 | -- |
| Fringe Benefit Recoveries from Colleges and Universities | 99,000,000 | 104,352,080 | 105 | 5,352,080 |
| Fringe Benefit Recoveries from Federal and Other Funds | 141,150,000 | 156,869,502 | 111 | 15,719,502 |
| Fringe Benefit Recoveries from School Districts | 26,000,000 | 34,754,666 | 133 | 8,754,666 |
| Indirect Cost Recoveries - DEP Other Funds | 11,100,000 | 9,802,990 | 88 | (1,297,010) |
| MTF Revenue Fund | 107,747,000 | 90,550,956 | 84 | (17,196,044) |
| Rent of State Building Space | 1,900,000 | 1,912,980 | 100 | 12,980 |
| Social Security Recoveries from Federal and Other Funds | 43,000,000 | 52,356,833 | 121 | 9,356,833 |
| Total Inter-Departmental Accounts | 476,197,000 | 497,930,274 | 104 | 21,733,274 |
| Judicial Branch: | | | | |
| Court Fees | 60,995,000 | 65,279,717 | 107 | 4,284,717 |
| Court Unification Center Reimbursements | -- | 2,200,000 | -- | 2,200,000 |
| Total Judicial Branch | 60,995,000 | 67,479,717 | 110 | 6,484,717 |
| TOTAL MISCELLANEOUS TAXES, FEES, REVENUES | 2,350,493,000 | 2,425,329,644 | 103 | 74,836,644 |
| INTERFUND TRANSFERS | | | | |
| Beaches and Harbor Fund | 30,000 | 13,706 | 45 | (16,294) |
| Clean Waters Fund | 39,000 | 21,958 | 56 | (17,042) |
| Correctional Facilities Construction Fund | 10,000 | 6,446 | 64 | (3,554) |

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | ANTICIPATED | REALIZED TO JUNE 30, 2004 | | REALIZATION |
|--|---------------------|---------------------------|---------|------------------------------|
| | TO JUNE 30, 2004 | AMOUNT | PERCENT | OVER (UNDER) ANTICIPATION |
| Correctional Facilities Construction Fund - 1987 | 59,000 | 29,764 | 50 | (29,236) |
| Cultural Centers and Historic Preservation Fund - 1987 | 145,000 | 48,482 | 33 | (96,518) |
| Developmental Disabilities Waiting List Reduction Fund | 252,000 | 353,655 | 140 | 101,655 |
| Dredging and Containment Facility Fund | 338,000 | 269,558 | 79 | (68,442) |
| Emergency Flood Control Fund | 7,000 | 3,816 | 54 | (3,184) |
| Energy Conservation Fund | -- | 881 | -- | 881 |
| Enterprise Zone Assistance Fund | 3,000,000 | 2,504,646 | 83 | (495,354) |
| Garden State Farmland Preservation Trust Fund | 1,764,000 | 1,650,000 | 93 | (114,000) |
| Garden State Green Acres Preservation Trust Fund | 5,006,000 | 4,562,188 | 91 | (443,812) |
| Garden State Historic Preservation Trust Fund | 489,000 | 311,567 | 63 | (177,433) |
| Hazardous Discharge Fund | 4,000 | 2,028 | 50 | (1,972) |
| Hazardous Discharge Site Cleanup Fund | 18,180,000 | 2,718,282 | 14 | (15,461,718) |
| Housing Assistance Fund | 105,000 | -- | -- | (105,000) |
| Human Services Facilities Construction Fund | 1,000 | 1,700 | 170 | 700 |
| Institutional Construction Fund | -- | 6,800 | -- | 6,800 |
| Institutions Construction Fund | 1,000 | -- | -- | (1,000) |
| Jobs, Education and Competitiveness Fund | 100,000 | 139,186 | 139 | 39,186 |
| Jobs, Science and Technology Fund | -- | 396 | -- | 396 |
| Judiciary Bail Fund | 525,000 | 277,751 | 52 | (247,249) |
| Judiciary Child Support and Paternity Fund | 450,000 | 260,841 | 57 | (189,159) |
| Judiciary Probation Fund | 150,000 | 105,338 | 70 | (44,662) |
| Judiciary Special Civil Fund | 47,000 | 26,040 | 55 | (20,960) |
| Judiciary Superior Court Miscellaneous Fund | 80,000 | 58,759 | 73 | (21,241) |
| Legal Services Fund | 10,750,000 | 10,409,490 | 96 | (340,510) |
| Medical Education Facilities Fund | -- | 519,927 | -- | 519,927 |
| Mortgage Assistance Fund | 925,000 | 696,475 | 75 | (228,525) |
| Motor Vehicle Security Responsibility Fund | 7,000 | 2,629 | 37 | (4,371) |
| Natural Resources Fund | 55,000 | 32,081 | 58 | (22,919) |
| New Jersey Bridge Rehabilitation and Improvement Fund | -- | 41 | -- | 41 |
| New Jersey Bridge Rehabilitation and Improvement Railroad Right-of-Way Preservation Fund | 100,000 | 154,763 | 154 | 54,763 |
| New Jersey Green Acres Fund - 1983 | 394,000 | 221,025 | 56 | (172,975) |

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | ANTICIPATED | REALIZED TO JUNE 30, 2004 | | REALIZATION |
|--|---------------------|---------------------------|---------|------------------------------|
| | TO JUNE 30, 2004 | AMOUNT | PERCENT | OVER (UNDER) ANTICIPATION |
| New Jersey Insolvent HMO Assistance Fund | 250,000 | 273,519 | 109 | 23,519 |
| New Jersey Spill Compensation Fund | 14,750,000 | 14,521,886 | 98 | (228,114) |
| New Jersey Workforce Development Partnership Fund | 43,839,000 | 40,332,530 | 92 | (3,506,470) |
| Pollution Prevention Fund | 2,347,000 | 2,347,000 | 100 | -- |
| Public Buildings Construction Fund | -- | 4,914 | -- | 4,914 |
| Public Purpose Buildings and Community-Based Facilities Construction Fund | 150,000 | 135,056 | 90 | (14,944) |
| Public Purpose Buildings Construction Fund | 1,000 | 2,285 | 228 | 1,285 |
| Real Estate Guaranty Fund | 1,000,000 | 1,000,000 | 100 | -- |
| Resource Recovery Investment Tax Fund | -- | 87 | -- | 87 |
| Safe Drinking Water Fund | 2,251,000 | 2,251,000 | 100 | -- |
| School Fund Investment Account | 2,930,000 | 1,515,995 | 51 | (1,414,005) |
| Shore Protection Fund | 275,000 | 190,498 | 69 | (84,502) |
| Solid Waste Service Tax Fund | 50,000 | 2,021 | 4 | (47,979) |
| State Disability Benefits Fund | 56,699,000 | 55,219,214 | 97 | (1,479,786) |
| State Land Acquisition and Development Fund | 16,000 | 10,734 | 67 | (5,266) |
| State Lottery Fund | 793,000,000 | 794,971,914 | 100 | 1,971,914 |
| State Lottery Fund - Administration | 23,163,000 | 20,614,419 | 88 | (2,548,581) |
| State of New Jersey Cash Management Fund | 2,900,000 | 3,033,826 | 104 | 133,826 |
| State Recreation and Conservation Land Acquisition and Development - 1974 | 26,000 | 12,445 | 47 | (13,555) |
| State Recycling Fund | 1,014,000 | 949,269 | 93 | (64,731) |
| 1999 Statewide Transportation and Local Bridge Fund | -- | 3,400,000 | -- | 3,400,000 |
| Stock Workers' Compensation Security Fund | 15,000,000 | -- | -- | (15,000,000) |
| Supplemental Workforce Fund for Basic Skills | 2,000,000 | 1,667,453 | 83 | (332,547) |
| Tobacco Settlement Fund | 1,612,022,000 | 1,610,782,536 | 99 | (1,239,464) |
| Transportation Rehabilitation and Improvement Fund - 1979 | 6,000 | 3,422 | 57 | (2,578) |
| Unclaimed Insurance Payments on Deposit Account Fund | 39,000 | 21,778 | 55 | (17,222) |
| Unclaimed Personal Property Trust Fund | 172,379,000 | 164,760,000 | 95 | (7,619,000) |
| Unclaimed Utilities Deposits Trust Fund | 60,000 | 20,850 | 34 | (39,150) |
| Unemployment Compensation Auxiliary Fund | 17,675,000 | 17,530,000 | 99 | (145,000) |
| Universal Services Fund | 72,000,000 | 72,431,000 | 100 | 431,000 |
| Unsatisfied Claim and Judgment Fund | 2,461,000 | 1,336,854 | 54 | (1,124,146) |
| Wage and Hour Trust Fund | 75,000 | 11,270 | 15 | (63,730) |
| Water Conservation Fund | 38,000 | 24,784 | 65 | (13,216) |
| Water Supply Fund | 3,634,000 | 3,485,906 | 95 | (148,094) |

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | ANTICIPATED | REALIZED TO JUNE 30, 2004 | | REALIZATION |
|---|--------------------------|---------------------------|------------|------------------------------|
| | TO JUNE 30, 2004 | AMOUNT | PERCENT | OVER (UNDER) ANTICIPATION |
| Worker and Community Right to Know Fund | 3,420,000 | 3,141,413 | 91 | (278,587) |
| TOTAL INTERFUND TRANSFERS | 2,888,483,000 | 2,841,416,097 | 98 | (47,066,903) |
| TOTAL REVENUES, GENERAL FUND | \$ 16,361,770,000 | \$ 16,926,602,825 | 103 | \$ 564,832,825 |

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | ANTICIPATED TO JUNE 30, 2004 | REALIZED TO JUNE 30, 2004 | | REALIZATION OVER (UNDER) ANTICIPATION |
|----------------------------------|------------------------------------|---------------------------|------------|---|
| | | AMOUNT | PERCENT | |
| Licenses and Fees | \$ 62,737,000 | \$ 64,461,079 | 103 | \$ 1,724,079 |
| Investment Income | -- | 184,809 | -- | 184,809 |
| TOTAL CASINO CONTROL FUND | \$ 62,737,000 | \$ 64,645,888 | 103 | \$ 1,908,888 |

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | ANTICIPATED TO JUNE 30, 2004 | REALIZED TO JUNE 30, 2004 | | REALIZATION OVER (UNDER) ANTICIPATION |
|-------------------------------------|------------------------------------|---------------------------|------------|---|
| | | AMOUNT | PERCENT | |
| Gross Revenue Tax | \$ 358,000,000 | \$ 377,554,903 | 105 | \$ 19,554,903 |
| Casino Simulcasting Fund | 700,000 | 700,000 | 100 | -- |
| Investment Income | -- | 79,047 | -- | 79,047 |
| Newly Enacted Casino Taxes and Fees | 90,000,000 | 89,737,728 | 99 | (262,272) |
| TOTAL CASINO REVENUE FUND | \$ 448,700,000 | \$ 468,071,678 | 104 | \$ 19,371,678 |

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GUBERNATORIAL ELECTIONS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | ANTICIPATED TO JUNE 30, 2004 | REALIZED TO JUNE 30, 2004 | | REALIZATION OVER (UNDER) ANTICIPATION |
|---|------------------------------------|---------------------------|-----------|---|
| | | AMOUNT | PERCENT | |
| Taxpayers' Designations | \$ 1,500,000 | \$ 603,441 | 40 | \$ (896,559) |
| TOTAL GUBERNATORIAL ELECTIONS FUND | \$ 1,500,000 | \$ 603,441 | 40 | \$ (896,559) |

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
PROPERTY TAX RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | ANTICIPATED TO JUNE 30, 2004 | REALIZED TO JUNE 30, 2004 | | REALIZATION OVER (UNDER) ANTICIPATION |
|---------------------------------------|------------------------------------|---------------------------|------------|---|
| | | AMOUNT | PERCENT | |
| Gross Income Tax | \$ 7,130,000,000 | \$ 7,400,732,606 | 103 | \$ 270,732,606 |
| TOTAL PROPERTY TAX RELIEF FUND | \$ 7,130,000,000 | \$ 7,400,732,606 | 103 | \$ 270,732,606 |

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004**

| | STATE | FEDERAL | DEDICATED AND REVOLVING | TOTAL |
|-----------------------------------|-----------------------|-------------------------|----------------------------|--------------------------|
| LEGISLATIVE BRANCH | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 16,244</u> | <u>\$ 16,244</u> |
| EXECUTIVE BRANCH | | | | |
| Chief Executive | -- | -- | 1,272,712 | 1,272,712 |
| Agriculture | 1,715,039 | 217,597,563 | 9,789,580 | 229,102,182 |
| Banking and Insurance | 7,009,064 | -- | 1,563,763 | 8,572,827 |
| Community Affairs | 22,820,980 | 213,918,444 | 69,631,759 | 306,371,183 |
| Corrections | -- | 7,509,008 | 57,466,137 | 64,975,145 |
| Education | 1,395,509 | 775,689,039 | 14,985,256 | 792,069,804 |
| Environmental Protection | 16,143,871 | 63,062,293 | 27,613,247 | 106,819,411 |
| Health and Senior Services | 11,596,055 | 358,913,456 | 146,019,980 | 516,529,491 |
| Human Services | 220,322,028 | 4,990,707,950 | 627,498,974 | 5,838,528,952 |
| Labor | 36,222,786 | 320,435,871 | 166,221,764 | 522,880,421 |
| Law and Public Safety | 100,681,465 | 131,651,261 | 147,574,406 | 379,907,132 |
| Military and Veterans Affairs | 2,173,210 | 36,967,360 | 227,561 | 39,368,131 |
| Personnel | 5,207,594 | -- | -- | 5,207,594 |
| State | 1,386,758 | 24,208,403 | 21,404,964 | 47,000,125 |
| Transportation | 3,051,880 | 49,214,413 | 325,687,788 | 377,954,081 |
| Treasury | 14,451,739 | 2,723,462 | 1,150,305,980 | 1,167,481,181 |
| Interdepartmental | 784,880 | -- | 3,952 | 788,832 |
| TOTAL EXECUTIVE BRANCH | <u>444,962,858</u> | <u>7,192,598,523</u> | <u>2,767,267,823</u> | <u>10,404,829,204</u> |
| JUDICIAL BRANCH | <u>3,425,345</u> | <u>1,025,687</u> | <u>42,816,204</u> | <u>47,267,236</u> |
| TOTAL APPROPRIATED REVENUE | <u>\$ 448,388,203</u> | <u>\$ 7,193,624,210</u> | <u>\$ 2,810,100,271</u> | <u>\$ 10,452,112,684</u> |

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
CASINO REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2004**

| | STATE | FEDERAL | DEDICATED AND REVOLVING | TOTAL |
|-----------------------------------|-----------------------|--------------|----------------------------|-----------------------|
| EXECUTIVE BRANCH | | | | |
| Health and Senior Services | <u>\$ 127,920,146</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 127,920,146</u> |
| TOTAL APPROPRIATED REVENUE | <u>\$ 127,920,146</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 127,920,146</u> |

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**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS | OTHER AUTHORIZED APPROPRIATIONS | EXPENDITURES |
|-------------------------------------|---|--|---------------------|
| DIRECT STATE SERVICES | | | |
| Legislative Branch | \$ 69,051,428 | \$ 17,349,519 | \$ 69,602,714 |
| Executive Branch | | | |
| Chief Executive's Office | 5,351,000 | 783,214 | 5,141,401 |
| Agriculture | 9,384,000 | 2,441,730 | 10,998,879 |
| Banking and Insurance | 68,018,000 | 6,145,707 | 65,868,837 |
| Community Affairs | 34,770,802 | 15,332,715 | 45,010,015 |
| Corrections | 845,325,000 | 2,961,135 | 830,082,157 |
| Education | 61,645,797 | 278,912 | 50,562,361 |
| Environmental Protection | 219,132,864 | 33,091,354 | 226,147,187 |
| Health and Senior Services | 78,020,000 | 34,441,884 | 97,524,729 |
| Human Services | 678,591,438 | 86,492,661 | 735,797,221 |
| Labor | 60,018,000 | 38,012,804 | 89,900,434 |
| Law and Public Safety | 468,482,000 | 191,100,169 | 561,985,384 |
| Military and Veterans' Affairs | 77,802,144 | 3,936,488 | 77,943,993 |
| Personnel | 25,936,000 | 7,391,172 | 29,044,930 |
| State | 23,462,000 | 918,642 | 21,485,249 |
| Transportation | 102,330,500 | 4,862,372 | 102,481,405 |
| Treasury | 370,132,394 | 59,027,079 | 381,427,934 |
| Miscellaneous Executive Commissions | 1,373,000 | 34,779 | 1,404,165 |
| Inter-Departmental Accounts | 1,640,888,409 | (20,428,287) | 1,532,569,197 |
| Total Executive Branch | 4,770,663,348 | 466,824,530 | 4,865,375,478 |
| Judicial Branch | 502,164,000 | 25,431,695 | 492,462,370 |
| TOTAL DIRECT STATE SERVICES | \$ 5,341,878,776 | \$ 509,605,744 | \$ 5,427,440,562 |

| ENCUMBRANCES | LAPSED | CONTINUING APPROPRIATIONS |
|------------------------------|-----------------------------|--------------------------------------|
| <u>\$ 4,396,386</u> | <u>\$ --</u> | <u>\$ 12,401,847</u> |
| -- | 5,015 | 987,798 |
| 265,652 | 1 | 561,198 |
| 828,112 | 5,734,507 | 1,732,251 |
| 639,200 | 291,439 | 4,162,863 |
| 15,447,633 | 1,393,883 | 1,362,462 |
| 6,288,443 | 3,471,423 | 1,602,482 |
| 9,962,576 | 1,524,069 | 14,590,386 |
| 11,465,827 | 2,361,352 | 1,109,976 |
| 15,522,677 | 1,001,129 | 12,763,072 |
| 1,292,924 | 4,980,355 | 1,857,091 |
| 21,609,596 | 1,224,707 | 74,762,482 |
| 2,105,135 | 5,368 | 1,684,136 |
| 1,370,038 | 7 | 2,912,197 |
| 1,736,548 | 242,810 | 916,035 |
| 2,309,293 | 1,094,581 | 1,307,593 |
| 20,121,944 | 3,095,193 | 24,514,402 |
| 527 | -- | 3,087 |
| 16,029,111 | 10,793,620 | 61,068,194 |
| <u>126,995,236</u> | <u>37,219,459</u> | <u>207,897,705</u> |
| <u>25,704,678</u> | <u>33,865</u> | <u>9,394,782</u> |
| <u><u>\$ 157,096,300</u></u> | <u><u>\$ 37,253,324</u></u> | <u><u>\$ 229,694,334</u></u> |

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS | OTHER AUTHORIZED APPROPRIATIONS | EXPENDITURES |
|--------------------------------|---|--|--------------------------------|
| GRANTS-IN-AID | | | |
| Executive Branch | | | |
| Agriculture | \$ 436,000 | \$ 688,772 | \$ 688,989 |
| Community Affairs | 36,865,000 | 12,450,533 | 28,771,142 |
| Corrections | 89,386,000 | 4,989,782 | 91,477,858 |
| Education | 9,443,000 | (270,000) | 8,648,430 |
| Environmental Protection | 9,250,000 | 7,882,211 | 3,836,827 |
| Health and Senior Services | 709,891,000 | 210,433 | 662,147,400 |
| Human Services | 3,268,465,073 | 216,146,567 | 3,425,493,701 |
| Labor | 31,279,000 | (3,900,000) | 27,379,000 |
| Law and Public Safety | 18,822,000 | 35,000 | 8,418,894 |
| Military and Veterans' Affairs | 1,044,000 | 62,843 | 964,520 |
| State | 1,090,689,000 | (26,855,065) | 1,039,896,594 |
| Transportation | 193,827,000 | 3,530,357 | 194,487,854 |
| Treasury | 211,663,041 | (10,743,184) | 196,213,438 |
| Inter-Departmental Accounts | 618,159,000 | (8,848,833) | 604,724,699 |
| Total Executive Branch | <u>6,289,219,114</u> | <u>195,379,416</u> | <u>6,293,149,346</u> |
| Judicial Branch | <u>--</u> | <u>300,000</u> | <u>300,000</u> |
| TOTAL GRANTS-IN-AID | <u><u>\$ 6,289,219,114</u></u> | <u><u>\$ 195,679,416</u></u> | <u><u>\$ 6,293,449,346</u></u> |

| <u>ENCUMBRANCES</u> | <u>LAPSED</u> | <u>CONTINUING APPROPRIATIONS</u> |
|----------------------|----------------------|--------------------------------------|
| \$ 240,896 | \$ 103,164 | \$ 91,723 |
| 13,971,204 | 47,795 | 6,525,392 |
| 684,090 | 34 | 2,213,800 |
| 211,242 | 313,328 | -- |
| 3,850,443 | 1,248,537 | 8,196,404 |
| 12,485,458 | 14,366,898 | 21,101,677 |
| 47,526,846 | 1,677,775 | 9,913,318 |
| -- | -- | -- |
| 10,138,101 | 300,005 | -- |
| 87,958 | 9,148 | 45,217 |
| 6,298,209 | 5,525 | 17,633,607 |
| 1,119,924 | 110,000 | 1,639,579 |
| 1,264,550 | 3,398,814 | 43,055 |
| 1,111,061 | 1,727,268 | 1,747,139 |
| <u>98,989,982</u> | <u>23,308,291</u> | <u>69,150,911</u> |
| <u>--</u> | <u>--</u> | <u>--</u> |
| <u>\$ 98,989,982</u> | <u>\$ 23,308,291</u> | <u>\$ 69,150,911</u> |

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | <u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u> | <u>OTHER AUTHORIZED APPROPRIATIONS</u> | <u>EXPENDITURES</u> |
|-------------------------------|---|--|--------------------------------|
| STATE AID | | | |
| Executive Branch | | | |
| Agriculture | \$ 11,015,000 | \$ -- | \$ 10,662,811 |
| Community Affairs | 19,996,000 | 35,580,942 | 29,462,883 |
| Education | 2,979,407,000 | (18,314,404) | 2,945,039,294 |
| Environmental Protection | 4,255,000 | 3,714 | 4,135,212 |
| Health and Senior Services | 58,454,000 | -- | 54,347,909 |
| Human Services | 308,222,000 | 27,505,741 | 326,713,815 |
| Law and Public Safety | 15,109,000 | 7,421,769 | 11,456,201 |
| State | 16,827,000 | -- | 16,540,990 |
| Treasury | 269,664,666 | -- | 259,440,547 |
| Total Executive Branch | <u>3,682,949,666</u> | <u>52,197,762</u> | <u>3,657,799,662</u> |
| TOTAL STATE AID | <u><u>\$ 3,682,949,666</u></u> | <u><u>\$ 52,197,762</u></u> | <u><u>\$ 3,657,799,662</u></u> |

| <u>ENCUMBRANCES</u> | <u>LAPSED</u> | <u>CONTINUING APPROPRIATIONS</u> |
|----------------------------|-----------------------------|--------------------------------------|
| \$ 15,166 | \$ 6,026 | \$ 330,997 |
| 362,348 | 2,073 | 25,749,638 |
| 1,050,650 | 9,489,201 | 5,513,451 |
| 92,678 | 3,714 | 27,110 |
| 3,978,042 | 128,049 | -- |
| -- | 153 | 9,013,773 |
| -- | 90,000 | 10,984,568 |
| -- | 286,010 | -- |
| -- | 1,944,765 | 8,279,354 |
| <u>5,498,884</u> | <u>11,949,991</u> | <u>59,898,891</u> |
| <u><u>\$ 5,498,884</u></u> | <u><u>\$ 11,949,991</u></u> | <u><u>\$ 59,898,891</u></u> |

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS | OTHER AUTHORIZED APPROPRIATIONS | EXPENDITURES |
|-------------------------------------|---|--|-------------------------|
| CAPITAL CONSTRUCTION | | | |
| Legislative Branch | \$ -- | \$ 107,987 | \$ 43,265 |
| Executive Branch | | | |
| Agriculture | -- | 5,141,470 | 3,998,851 |
| Corrections | -- | 10,370,314 | 370,668 |
| Education | -- | 1,465,558 | 149,851 |
| Environmental Protection | 140,074,000 | 54,434,324 | 76,169,808 |
| Health and Senior Services | 620,000 | 310,729 | 83,478 |
| Human Services | 5,600,000 | 24,849,896 | 4,336,193 |
| Law and Public Safety | 4,346,000 | 19,813,811 | 1,886,308 |
| Military and Veterans' Affairs | 165,000 | 1,463,948 | 170,936 |
| Personnel | -- | 1,697 | -- |
| State | -- | 641,493 | 34,712 |
| Transportation | 805,000,000 | 1 | 804,190,216 |
| Treasury | -- | 12,919,004 | 2,164,787 |
| Miscellaneous Executive Commissions | -- | 2,000 | -- |
| Inter-Departmental Accounts | 194,233,000 | 21,955,001 | 175,227,428 |
| Total Executive Branch | <u>1,150,038,000</u> | <u>153,369,246</u> | <u>1,068,783,236</u> |
| TOTAL CAPITAL CONSTRUCTION | <u>\$ 1,150,038,000</u> | <u>\$ 153,477,233</u> | <u>\$ 1,068,826,501</u> |

| <u>ENCUMBRANCES</u> | <u>LAPSED</u> | <u>CONTINUING APPROPRIATIONS</u> |
|----------------------|---------------------|--------------------------------------|
| \$ 30,594 | \$ -- | \$ 34,128 |
| -- | -- | 1,142,619 |
| 3,897,270 | -- | 6,102,376 |
| 170,768 | 200,000 | 944,939 |
| 24,444,046 | -- | 93,894,470 |
| 133,113 | -- | 714,138 |
| 7,542,392 | -- | 18,571,311 |
| 4,026,025 | 1,257,000 | 16,990,478 |
| 748,571 | -- | 709,441 |
| -- | -- | 1,697 |
| 472,757 | 11,156 | 122,868 |
| -- | 809,785 | -- |
| 883,395 | 4,765,356 | 5,105,466 |
| -- | -- | 2,000 |
| 5,831,228 | 939,000 | 34,190,345 |
| 48,149,565 | 7,982,297 | 178,492,148 |
| <u>\$ 48,180,159</u> | <u>\$ 7,982,297</u> | <u>\$ 178,526,276</u> |

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | <u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u> | <u>OTHER AUTHORIZED APPROPRIATIONS</u> | <u>EXPENDITURES</u> |
|-------------------------------|---|--|------------------------------|
| DEBT SERVICE | | | |
| Executive Branch | | | |
| Environmental Protection | \$ 68,053,000 | \$ (3,839,693) | \$ 63,179,729 |
| Treasury | 374,428,000 | 3,839,693 | 374,886,633 |
| Total Executive Branch | <u>442,481,000</u> | <u>--</u> | <u>438,066,362</u> |
| TOTAL DEBT SERVICE | <u><u>\$ 442,481,000</u></u> | <u><u>\$ --</u></u> | <u><u>\$ 438,066,362</u></u> |

| <u>ENCUMBRANCES</u> | <u>LAPSED</u> | <u>CONTINUING APPROPRIATIONS</u> |
|---------------------|---------------|--------------------------------------|
| \$ -- | \$ 1,033,578 | \$ -- |
| -- | 3,381,060 | -- |
| -- | 4,414,638 | -- |
| \$ -- | \$ 4,414,638 | \$ -- |

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS | OTHER AUTHORIZED APPROPRIATIONS | EXPENDITURES |
|--------------------------------|---|--|-------------------------|
| FEDERAL | | | |
| Executive Branch | | | |
| Agriculture | \$ 236,083,769 | \$ 27,587,113 | \$ 200,487,948 |
| Community Affairs | 263,375,551 | 32,497,640 | 244,401,906 |
| Corrections | 11,042,984 | 19,504,539 | 24,600,532 |
| Education | 837,241,286 | 95,466,977 | 719,063,225 |
| Environmental Protection | 224,231,435 | 33,767,733 | 46,852,435 |
| Health and Senior Services | 2,093,483,271 | 22,405,995 | 1,552,534,484 |
| Human Services | 3,860,820,555 | 209,919,891 | 3,517,326,868 |
| Labor | 385,276,972 | 74,252,193 | 255,053,091 |
| Law and Public Safety | 703,348,024 | 104,171,096 | 77,848,780 |
| Military and Veterans' Affairs | 55,505,993 | 9,196,161 | 19,660,331 |
| Personnel | -- | 314,501 | 299,518 |
| State | 34,344,719 | 1,731,611 | 24,526,029 |
| Transportation | 64,427,000 | 34,586,753 | 44,039,314 |
| Treasury | 4,684,196 | 1,042,681 | 3,138,621 |
| Total Executive Branch | 8,773,865,755 | 666,444,884 | 6,729,833,082 |
| Judicial Branch | 69,367,950 | 2,227,855 | 69,065,172 |
| TOTAL FEDERAL | \$ 8,843,233,705 | \$ 668,672,739 | \$ 6,798,898,254 |

| ENCUMBRANCES | | LAPSED | | CONTINUING APPROPRIATIONS | |
|--------------|-------------|--------|-------------|------------------------------|---------------|
| \$ | 38,524,168 | \$ | -- | \$ | 24,658,766 |
| | 30,362,747 | | -- | | 21,108,538 |
| | 983,649 | | -- | | 4,963,342 |
| | 64,191,986 | | -- | | 149,453,052 |
| | 16,709,342 | | 72,551,292 | | 121,886,099 |
| | 95,907,634 | | -- | | 467,447,148 |
| | 100,484,128 | | 36,976,000 | | 415,953,450 |
| | 58,854,194 | | -- | | 145,621,880 |
| | 64,923,109 | | -- | | 664,747,231 |
| | 4,934,256 | | -- | | 40,107,567 |
| | 14,983 | | -- | | -- |
| | 3,171,906 | | -- | | 8,378,395 |
| | 9,789,425 | | -- | | 45,185,014 |
| | 647,842 | | -- | | 1,940,414 |
| | 489,499,369 | | 109,527,292 | | 2,111,450,896 |
| | 950,196 | | -- | | 1,580,437 |
| \$ | 490,449,565 | \$ | 109,527,292 | \$ | 2,113,031,333 |

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | <u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u> | <u>OTHER AUTHORIZED APPROPRIATIONS</u> | <u>EXPENDITURES</u> |
|-------------------------------|---|--|-----------------------|
| REVOLVING FUNDS | | | |
| Legislative Branch | \$ -- | \$ 16,974 | \$ 16,974 |
| Executive Branch | | | |
| Community Affairs | -- | 17,818,741 | 7,551,230 |
| Corrections | -- | 35,296,685 | 32,683,582 |
| Education | -- | 6,251,110 | 3,998,393 |
| Environmental Protection | -- | 1,638,308 | 755,259 |
| Health and Senior Services | -- | 23,327,110 | 16,915,896 |
| Human Services | -- | 4,746,915 | 6,264,125 |
| Labor | -- | 2,056,097 | 1,335,954 |
| Law and Public Safety | -- | 472,907 | 260,731 |
| State | -- | 720,707 | 1,282,004 |
| Transportation | -- | 841,938 | 560,894 |
| Treasury | -- | 199,491,650 | 165,859,178 |
| Total Executive Branch | -- | 292,662,168 | 237,467,246 |
| TOTAL REVOLVING FUNDS | <u>\$ --</u> | <u>\$ 292,679,142</u> | <u>\$ 237,484,220</u> |

| <u>ENCUMBRANCES</u> | <u>LAPSED</u> | <u>CONTINUING APPROPRIATIONS</u> |
|----------------------|-------------------|--------------------------------------|
| \$ -- | \$ -- | \$ -- |
| 2,425,655 | -- | 7,841,856 |
| 602,840 | -- | 2,010,263 |
| 398,449 | 333,608 | 1,520,660 |
| 42,758 | -- | 840,291 |
| 1,390,892 | -- | 5,020,322 |
| 788,918 | -- | (2,306,128) |
| 162,750 | -- | 557,393 |
| -- | -- | 212,176 |
| 35,293 | -- | (596,590) |
| 70,624 | -- | 210,420 |
| 16,363,944 | 2,000 | 17,266,528 |
| <u>22,282,123</u> | <u>335,608</u> | <u>32,577,191</u> |
| <u>\$ 22,282,123</u> | <u>\$ 335,608</u> | <u>\$ 32,577,191</u> |

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS | OTHER AUTHORIZED APPROPRIATIONS | EXPENDITURES |
|--------------------------------|--|---------------------------------------|------------------|
| ALL OTHER | | | |
| Legislative Branch | \$ -- | \$ 11,155 | \$ -- |
| Executive Branch | | | |
| Chief Executive's Office | -- | 1,632,868 | 1,172,278 |
| Agriculture | -- | 12,490,824 | 8,883,025 |
| Banking and Insurance | -- | 2,379,504 | 2,048,740 |
| Community Affairs | -- | 107,829,037 | 7,547,339 |
| Corrections | -- | 30,946,030 | 23,654,723 |
| Education | -- | 19,119,428 | 10,237,038 |
| Environmental Protection | -- | 53,337,682 | 14,666,624 |
| Health and Senior Services | -- | 171,780,808 | 117,784,284 |
| Human Services | -- | 622,297,290 | 574,748,657 |
| Labor | -- | 223,316,153 | 146,327,985 |
| Law and Public Safety | -- | 192,322,737 | 164,153,723 |
| Military and Veterans' Affairs | -- | 327,938 | 36,501 |
| Personnel | -- | 25,369 | (42,150) |
| State | -- | 25,802,994 | 18,870,188 |
| Transportation | -- | 354,527,445 | 231,682,818 |
| Treasury | -- | 976,644,699 | 834,050,865 |
| Total Executive Branch | -- | 2,794,780,806 | 2,155,822,638 |
| Judicial Branch | -- | 48,421,904 | 30,891,254 |
| TOTAL ALL OTHER | \$ -- | \$ 2,843,213,865 | \$ 2,186,713,892 |

| ENCUMBRANCES | LAPSED | CONTINUING APPROPRIATIONS |
|------------------------------|-----------------------------|--------------------------------------|
| <u>\$ --</u> | <u>\$ --</u> | <u>\$ 11,155</u> |
| -- | -- | 460,590 |
| 22,464 | -- | 3,585,335 |
| 3,925 | 12,275 | 314,564 |
| 34,656,613 | -- | 65,625,085 |
| 809,975 | 880 | 6,480,452 |
| 347,786 | -- | 8,534,604 |
| 4,622,525 | 32,997 | 34,015,536 |
| 13,093,021 | 2,891,772 | 38,011,731 |
| 2,769,689 | 205,868 | 44,573,076 |
| 1,739,510 | -- | 75,248,658 |
| 15,915,730 | 196,000 | 12,057,284 |
| -- | -- | 291,437 |
| 63,869 | -- | 3,650 |
| 609,054 | -- | 6,323,752 |
| 25,039,193 | 1,934,374 | 95,871,060 |
| 10,100,741 | 30,427,891 | 102,065,202 |
| <u>109,794,095</u> | <u>35,702,057</u> | <u>493,462,016</u> |
| <u>11,194,355</u> | <u>30,826</u> | <u>6,305,469</u> |
| <u><u>\$ 120,988,450</u></u> | <u><u>\$ 35,732,883</u></u> | <u><u>\$ 499,778,640</u></u> |

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS | OTHER AUTHORIZED APPROPRIATIONS | EXPENDITURES |
|-------------------------------------|---|--|--------------------------|
| GENERAL FUND SUMMARY | | | |
| Legislative Branch | \$ 69,051,428 | \$ 17,485,635 | \$ 69,662,953 |
| Executive Branch | | | |
| Chief Executive's Office | 5,351,000 | 2,416,082 | 6,313,679 |
| Agriculture | 256,918,769 | 48,349,909 | 235,720,503 |
| Banking and Insurance | 68,018,000 | 8,525,211 | 67,917,577 |
| Community Affairs | 355,007,353 | 221,509,608 | 362,744,515 |
| Corrections | 945,753,984 | 104,068,485 | 1,002,869,520 |
| Education | 3,887,737,083 | 103,997,581 | 3,737,698,592 |
| Environmental Protection | 664,996,299 | 180,315,633 | 435,743,081 |
| Health and Senior Services | 2,940,468,271 | 252,476,959 | 2,501,338,180 |
| Human Services | 8,121,699,066 | 1,191,958,961 | 8,590,680,580 |
| Labor | 476,573,972 | 333,737,247 | 519,996,464 |
| Law and Public Safety | 1,210,107,024 | 515,337,489 | 826,010,021 |
| Military and Veterans' Affairs | 134,517,137 | 14,987,378 | 98,776,281 |
| Personnel | 25,936,000 | 7,732,739 | 29,302,298 |
| State | 1,165,322,719 | 2,960,382 | 1,122,635,766 |
| Transportation | 1,165,584,500 | 398,348,866 | 1,377,442,501 |
| Treasury | 1,230,572,297 | 1,242,221,622 | 2,217,182,003 |
| Miscellaneous Executive Commissions | 1,373,000 | 36,779 | 1,404,165 |
| Inter-Departmental Accounts | 2,453,280,409 | (7,322,119) | 2,312,521,324 |
| Total Executive Branch | 25,109,216,883 | 4,621,658,812 | 25,446,297,050 |
| Judicial Branch | 571,531,950 | 76,381,454 | 592,718,796 |
| TOTAL GENERAL FUND SUMMARY | <u>\$ 25,749,800,261</u> | <u>\$ 4,715,525,901</u> | <u>\$ 26,108,678,799</u> |

| <u>ENCUMBRANCES</u> | <u>LAPSED</u> | <u>CONTINUING APPROPRIATIONS</u> |
|-----------------------|-----------------------|--------------------------------------|
| \$ 4,426,980 | \$ -- | \$ 12,447,130 |
| -- | 5,015 | 1,448,388 |
| 39,068,346 | 109,191 | 30,370,638 |
| 832,037 | 5,746,782 | 2,046,815 |
| 82,417,767 | 341,307 | 131,013,372 |
| 22,425,457 | 1,394,797 | 23,132,695 |
| 72,659,324 | 13,807,560 | 167,569,188 |
| 59,724,368 | 76,394,187 | 273,450,296 |
| 138,453,987 | 19,748,071 | 533,404,992 |
| 174,634,650 | 39,860,925 | 508,481,872 |
| 62,049,378 | 4,980,355 | 223,285,022 |
| 116,612,561 | 3,067,712 | 779,754,219 |
| 7,875,920 | 14,516 | 42,837,798 |
| 1,448,890 | 7 | 2,917,544 |
| 12,323,767 | 545,501 | 32,778,067 |
| 38,328,459 | 3,948,740 | 144,213,666 |
| 49,382,416 | 47,015,079 | 159,214,421 |
| 527 | -- | 5,087 |
| 22,971,400 | 13,459,888 | 97,005,678 |
| 901,209,254 | 230,439,633 | 3,152,929,758 |
| 37,849,229 | 64,691 | 17,280,688 |
| <u>\$ 943,485,463</u> | <u>\$ 230,504,324</u> | <u>\$ 3,182,657,576</u> |

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | <u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u> | <u>OTHER AUTHORIZED APPROPRIATIONS</u> | <u>EXPENDITURES</u> |
|----------------------------------|---|--|-----------------------------|
| DIRECT STATE SERVICES | | | |
| Executive Branch | | | |
| Law and Public Safety | \$ 37,699,000 | \$ 55,148 | \$ 36,528,034 |
| Treasury | 26,938,000 | 1,910,621 | 27,105,019 |
| TOTAL CASINO CONTROL FUND | <u><u>\$ 64,637,000</u></u> | <u><u>\$ 1,965,769</u></u> | <u><u>\$ 63,633,053</u></u> |

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | <u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u> | <u>OTHER AUTHORIZED APPROPRIATIONS</u> | <u>EXPENDITURES</u> |
|----------------------------------|---|--|------------------------------|
| DIRECT STATE SERVICES | | | |
| Health and Senior Services | \$ 871,000 | \$ 111,518 | \$ 844,951 |
| Law and Public Safety | 92,000 | 956 | 92,953 |
| GRANTS-IN-AID | | | |
| Health and Senior Services | 299,602,000 | 127,832,622 | 422,747,350 |
| Human Services | 118,737,000 | -- | 118,635,785 |
| Labor | 2,440,000 | -- | 2,440,000 |
| STATE AID | | | |
| Transportation | 25,458,000 | -- | 2,914,162 |
| TOTAL CASINO REVENUE FUND | <u><u>\$ 447,200,000</u></u> | <u><u>\$ 127,945,096</u></u> | <u><u>\$ 547,675,201</u></u> |

| <u>ENCUMBRANCES</u> | <u>LAPSED</u> | <u>CONTINUING APPROPRIATIONS</u> |
|---------------------|-------------------|--------------------------------------|
| \$ 737,532 | \$ 310,972 | \$ 177,610 |
| 969,060 | 5,635 | 768,907 |
| <u>\$ 1,706,592</u> | <u>\$ 316,607</u> | <u>\$ 946,517</u> |

| <u>ENCUMBRANCES</u> | <u>LAPSED</u> | <u>CONTINUING APPROPRIATIONS</u> |
|----------------------|---------------------|--------------------------------------|
| \$ 91,784 | \$ 14,945 | \$ 30,838 |
| -- | 3 | -- |
| 3,164,645 | 1,522,627 | -- |
| -- | 101,215 | -- |
| -- | -- | -- |
| 22,543,838 | -- | -- |
| <u>\$ 25,800,267</u> | <u>\$ 1,638,790</u> | <u>\$ 30,838</u> |

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
PROPERTY TAX RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

| | ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS | OTHER AUTHORIZED APPROPRIATIONS | EXPENDITURES |
|---|---|--|-------------------------|
| GRANTS-IN-AID | | | |
| Treasury | \$ 862,311,000 | \$ (15,000,000) | \$ 828,810,586 |
| STATE AID | | | |
| Community Affairs | 960,069,000 | (18,808,082) | 940,399,338 |
| Education | 5,158,094,000 | 135,866,438 | 5,285,137,544 |
| Environmental Protection | 10,453,000 | (300,000) | 8,027,729 |
| Treasury | 159,808,000 | (2,898,000) | 154,448,137 |
| TOTAL PROPERTY TAX RELIEF FUND | \$ 7,150,735,000 | \$ 98,860,356 | \$ 7,216,823,334 |

| <u>ENCUMBRANCES</u> | <u>LAPSED</u> | <u>CONTINUING APPROPRIATIONS</u> |
|---------------------|----------------------|--------------------------------------|
| \$ -- | \$ 18,476,745 | \$ 23,669 |
| 795,193 | 66,387 | -- |
| -- | 3,082,016 | 5,740,878 |
| 2,101,824 | 23,447 | -- |
| -- | 2,461,863 | -- |
| <u>\$ 2,897,017</u> | <u>\$ 24,110,458</u> | <u>\$ 5,764,547</u> |

STATE OF NEW JERSEY
TEN-YEAR FINANCIAL SUMMARY ⁽¹⁾
FOR FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

| | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> |
|--|------------------|------------------|------------------|------------------|
| REVENUES ⁽²⁾ | | | | |
| Taxes | \$ 19,735 | \$ 18,317 | \$ 16,800 | \$ 17,824 |
| Federal and other grants | 8,411 | 7,883 | 7,566 | 6,684 |
| Licenses and fees | 771 | 944 | 840 | 896 |
| Services and assessments | 1,459 | 1,344 | 1,287 | 1,188 |
| Investment earnings | 43 | 39 | 15 | 82 |
| Contributions | 282 | 510 | 231 | 136 |
| Other | 7,219 | 7,412 | 6,167 | 5,026 |
| Total Revenues | <u>\$ 37,920</u> | <u>\$ 36,449</u> | <u>\$ 32,906</u> | <u>\$ 31,836</u> |
| EXPENDITURES ⁽²⁾ | | | | |
| Public safety and criminal justice | \$ 2,675 | \$ 2,511 | \$ 2,506 | \$ 2,385 |
| Physical and mental health | 8,792 | 9,280 | 8,831 | 7,523 |
| Education, cultural, and intellectual development | - | | | |
| | 11,592 | 10,597 | 10,232 | 9,585 |
| Community development and environmental management | 1,908 | 1,844 | 1,894 | 1,855 |
| Economic planning, development, and security | 3,075 | 2,892 | 2,832 | 2,628 |
| Transportation programs | 2,421 | 2,145 | 2,024 | 1,753 |
| Government direction, management, and control | 4,958 | 5,219 | 4,759 | 4,075 |
| Special government services | 271 | 239 | 230 | 224 |
| Other financing uses | 1,519 | 1,377 | 1,326 | 1,493 |
| Total Expenditures | <u>\$ 37,211</u> | <u>\$ 36,104</u> | <u>\$ 34,634</u> | <u>\$ 31,521</u> |

(1) The ten year summary includes the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, the Gubernatorial Elections Fund, and the Special Transportation Fund. Nonrecurring items are not included in either revenues or expenditures.

(2) The State's policy for revenue and expenditure recognition is described in Note 1.

| 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ 16,718 | \$ 15,335 | \$ 14,195 | \$ 13,008 | \$ 12,690 | \$ 12,146 |
| 6,041 | 5,616 | 5,532 | 5,664 | 5,392 | 4,778 |
| 854 | 839 | 818 | 759 | 693 | 710 |
| 1,223 | 1,137 | 1,135 | 1,157 | 1,228 | 1,226 |
| 72 | 55 | 46 | 48 | 51 | 67 |
| -- | -- | -- | -- | -- | -- |
| 4,855 | 3,711 | 3,516 | 3,726 | 3,908 | 3,475 |
| <u>\$ 29,763</u> | <u>\$ 26,693</u> | <u>\$ 25,242</u> | <u>\$ 24,362</u> | <u>\$ 23,962</u> | <u>\$ 22,402</u> |
| | | | | | |
| \$ 2,261 | \$ 2,076 | \$ 1,873 | \$ 1,814 | \$ 1,687 | \$ 1,529 |
| 7,127 | 5,861 | 5,635 | 5,547 | 5,308 | 5,158 |
| 8,833 | 8,424 | 7,641 | 7,190 | 7,126 | 6,275 |
| 1,702 | 1,576 | 1,547 | 1,351 | 1,305 | 1,119 |
| 2,735 | 2,641 | 2,540 | 2,677 | 2,791 | 2,381 |
| 1,581 | 1,572 | 1,617 | 1,731 | 1,587 | 1,466 |
| 2,965 | 2,604 | 2,553 | 2,420 | 2,508 | 3,227 |
| 207 | 187 | 174 | 177 | 161 | 157 |
| 1,777 | 1,576 | 1,386 | 1,291 | 1,763 | 1,003 |
| <u>\$ 29,188</u> | <u>\$ 26,517</u> | <u>\$ 24,966</u> | <u>\$ 24,198</u> | <u>\$ 24,236</u> | <u>\$ 22,315</u> |

STATE OF NEW JERSEY
REVENUE SUMMARY FOR BUDGETED FUNDS*
2000-2004
(Expressed in Millions)

| Major Tax | Fiscal Year | | | | |
|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2004 | 2003 | 2002 | 2001 | 2000 |
| Gross Income Tax | \$ 7,400.7 | \$ 6,735.3 | \$ 6,837.0 | \$ 7,989.2 | \$ 7,205.3 |
| Sales and Use Tax | 6,261.7 | 5,936.1 | 5,996.8 | 5,758.7 | 5,508.1 |
| Corporation Business Tax | 2,370.2 | 2,525.4 | 1,171.5 | 1,389.5 | 1,452.1 |
| Other Major Taxes | 3,028.0 | 2,837.3 | 2,489.1 | 2,429.9 | 2,307.8 |
| Miscellaneous Taxes, Fees | 4,472.4 | 4,265.2 | 2,911.5 | 2,296.9 | 2,307.7 |
| State Lottery | 795.0 | 765.4 | 754.5 | 697.4 | 719.9 |
| Casino Taxes and Fees | 532.7 | 413.9 | 413.0 | 399.3 | 396.3 |
| Total | \$ 24,860.7 | \$ 23,478.6 | \$ 20,573.4 | \$ 20,960.9 | \$ 19,897.2 |

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
REVENUE SUMMARY FOR BUDGETED FUNDS*
PERCENT DISTRIBUTION BY MAJOR TAX
2000-2004

| Major Tax | Fiscal Year | | | | |
|---------------------------|--------------------|----------------|----------------|----------------|----------------|
| | 2004 | 2003 | 2002 | 2001 | 2000 |
| Gross Income Tax | 29.8 % | 28.7 % | 33.2 % | 38.1 % | 36.3 % |
| Sales and Use Tax | 25.2 | 25.3 | 29.1 | 27.5 | 27.7 |
| Corporation Business Tax | 9.5 | 10.7 | 5.7 | 6.6 | 7.3 |
| Other Major Taxes | 12.2 | 12.1 | 12.1 | 11.6 | 11.6 |
| Miscellaneous Taxes, Fees | 18.0 | 18.2 | 14.2 | 11.0 | 11.5 |
| State Lottery | 3.2 | 3.2 | 3.7 | 3.3 | 3.6 |
| Casino Taxes and Fees | 2.1 | 1.8 | 2.0 | 1.9 | 2.0 |
| Total | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
EXPENDITURE SUMMARY FOR BUDGETED FUNDS*
2000-2004
(Expressed in Millions)

| Expenditure Category | Fiscal Year | | | | |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2004 | 2003 | 2002 | 2001 | 2000 |
| Direct State Services | \$ 5,650.9 | \$ 5,437.5 | \$ 5,106.4 | \$ 5,012.6 | \$ 4,650.2 |
| Grants-In-Aid | 7,768.2 | 8,035.2 | 7,264.0 | 6,210.0 | 6,211.7 |
| State Aid | 10,079.7 | 9,163.6 | 8,834.8 | 8,408.2 | 7,866.4 |
| Capital Construction | 1,117.0 | 1,075.4 | 1,012.1 | 1,171.0 | 737.4 |
| Debt Service | 438.1 | 430.4 | 451.2 | 525.0 | 494.2 |
| Total | \$ 25,053.9 | \$ 24,142.1 | \$ 22,668.5 | \$ 21,326.8 | \$ 19,959.9 |

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
EXPENDITURE SUMMARY FOR BUDGETED FUNDS*
PERCENT DISTRIBUTION BY MAJOR EXPENDITURE CATEGORY
2000-2004

| Expenditure Category | Fiscal Year | | | | |
|-----------------------------|--------------------|----------------|----------------|----------------|----------------|
| | 2004 | 2003 | 2002 | 2001 | 2000 |
| Direct State Services | 22.6 % | 22.5 % | 22.5 % | 23.5 % | 23.3 % |
| Grants-In-Aid | 31.0 | 33.3 | 32.0 | 29.1 | 31.1 |
| State Aid | 40.2 | 38.0 | 39.0 | 39.4 | 39.4 |
| Capital Construction | 4.5 | 4.4 | 4.5 | 5.5 | 3.7 |
| Debt Service | 1.7 | 1.8 | 2.0 | 2.5 | 2.5 |
| Total | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
EXPENDITURES FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(Expressed in Millions)

| Government Branch | Direct State Service | Grants- In-Aid | State Aid | Capital Construction | Debt Service | Total |
|--------------------------------|-------------------------------------|---------------------------|----------------------|---------------------------------|-------------------------|--------------------|
| Executive Branch | | | | | | |
| Chief Executive Office | \$ 5.1 | \$ -- | \$ -- | \$ -- | \$ -- | \$ 5.1 |
| Agriculture | 11.3 | 0.9 | 10.7 | 4.0 | -- | 26.9 |
| Banking and Insurance | 66.7 | -- | -- | -- | -- | 66.7 |
| Community Affairs | 45.6 | 42.7 | 971.0 | -- | -- | 1,059.3 |
| Corrections | 845.5 | 92.2 | -- | 4.3 | -- | 942.0 |
| Education | 56.9 | 8.9 | 8,231.2 | 0.3 | -- | 8,297.3 |
| Environmental Protection | 236.1 | 7.7 | 14.4 | 100.6 | 63.2 | 422.0 |
| Health and Senior Services | 109.9 | 1,100.5 | 58.3 | 0.2 | -- | 1,268.9 |
| Human Services | 751.3 | 3,591.7 | 326.7 | 11.9 | -- | 4,681.6 |
| Labor | 91.2 | 29.8 | -- | -- | -- | 121.0 |
| Law and Public Safety | 621.0 | 18.6 | 11.5 | 5.9 | -- | 657.0 |
| Military and Veterans' Affairs | 80.1 | 1.0 | -- | 0.9 | -- | 82.0 |
| Personnel | 30.4 | -- | -- | -- | -- | 30.4 |
| State | 23.2 | 1,046.2 | 16.5 | 0.5 | -- | 1,086.4 |
| Transportation | 104.8 | 195.6 | 25.5 | 804.2 | -- | 1,130.1 |
| Treasury | 429.6 | 1,026.3 | 413.9 | 3.0 | 374.9 | 2,247.7 |
| Miscellaneous | 1.4 | -- | -- | -- | -- | 1.4 |
| Inter-Departmental | 1,548.6 | 605.8 | -- | 181.1 | -- | 2,335.5 |
| Subtotal | 5,058.7 | 7,767.9 | 10,079.7 | 1,116.9 | 438.1 | 24,461.3 |
| Legislative Branch | 74.0 | -- | -- | 0.1 | -- | 74.1 |
| Judicial Branch | 518.2 | 0.3 | -- | -- | -- | 518.5 |
| Grand Total | \$ 5,650.9 | \$ 7,768.2 | \$ 10,079.7 | \$ 1,117.0 | \$ 438.1 | \$ 25,053.9 |

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
STATE AID, TAX RELIEF, AND LOCAL BUDGET SAVINGS INITIATIVES
(Expressed in Millions)

| Program | Fiscal Year | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2004 | 2003 | 2002 | 2001 |
| <u>School Aid</u> | | | | |
| Direct Aid | \$ 6,704.5 | \$ 6,647.0 | \$ 6,453.6 | \$ 5,914.7 |
| School Construction and Renovation | 242.4 | 6.9 | 82.0 | 129.9 |
| Teachers' Retirement Benefits and Social Security | 1,184.1 | 977.6 | 905.7 | 792.5 |
| Subtotal | 8,131.0 | 7,631.5 | 7,441.3 | 6,837.1 |
| <u>Municipal Aid and Budget Savings</u> | | | | |
| Consolidated Municipal Property Tax Relief Aid | 835.4 | 835.4 | 835.2 | 787.8 |
| Energy Receipts Property Tax Relief Aid | 762.7 | 755.0 | 755.0 | 750.0 |
| Special Municipal Aid | 28.3 | 58.0 | 38.7 | -- |
| Trenton Capital City Aid | 16.5 | -- | -- | -- |
| Business Personal Property Tax Depreciation | -- | -- | -- | 33.9 |
| Legislative Initiative Block Grant Program | 34.8 | 34.8 | 34.8 | 33.8 |
| Extraordinary Aid | 35.0 | 30.5 | 25.0 | 25.0 |
| Regional Efficiency Aid Program | 10.0 | 9.0 | 20.0 | 16.8 |
| Regional Efficiency Development Incentive Program | 2.0 | -- | 5.0 | 10.0 |
| Open Space - Payments in Lieu of Taxes | 8.0 | 8.0 | 7.4 | 7.1 |
| Watershed Moratorium Offset Aid | -- | -- | 3.4 | 3.3 |
| Subtotal | 1,732.7 | 1,730.7 | 1,724.5 | 1,667.7 |
| <u>Other Local Aid and Budget Savings</u> | | | | |
| County College Aid | 214.0 | 201.3 | 203.7 | 191.1 |
| Transportation Trust Fund - Aid for Local Projects | 150.0 | 150.0 | 150.0 | 150.0 |
| Aid to County Psychiatric Hospitals | 93.5 | 94.5 | 91.7 | 87.2 |
| Urban Enterprise Zones - Sales Tax Dedication | 57.5 | 13.1 | 57.4 | 43.5 |
| Intergovernmental Transfer Funds (IGT) | -- | -- | -- | 51.4 |
| Department of Community Affairs - Housing and Neighborhood Assistance | 16.7 | 16.7 | 16.7 | 16.6 |
| Library Aid | 22.8 | 16.9 | 15.4 | 15.1 |
| Pension Contributions on Behalf of Local Governments | 38.3 | 31.4 | 21.9 | 15.6 |
| Miscellaneous Programs | 111.4 | 168.8 | 22.5 | 23.2 |
| Subtotal | 704.2 | 692.7 | 579.3 | 593.7 |
| <u>Direct Taxpayer Relief</u> | | | | |
| NJ SAVER Program | 324.6 | 679.1 | 727.4 | 336.7 |
| Homestead Rebates | 514.7 | 514.3 | 500.6 | 335.1 |
| Veterans and Senior/Disabled Citizens' Property Tax Relief | 132.0 | 118.7 | 91.9 | 77.3 |
| Property Tax Deduction Act | 341.0 | 335.1 | 316.8 | 301.0 |
| Subtotal | 1,312.3 | 1,647.2 | 1,636.7 | 1,050.1 |
| <u>Pension Security Plan Savings</u> | | | | |
| School District Pension Security Program Savings | 28.9 | 13.3 | 10.6 | 10.6 |
| Municipal Pension Security Program Savings | 34.9 | 16.1 | 12.8 | 12.8 |
| Police and Firemen's Retirement Local Savings | 214.0 | 263.2 | 150.0 | 150.0 |
| Other Local Pension Security Program Savings | 69.0 | 31.9 | 25.3 | 25.3 |
| Subtotal | 346.8 | 324.5 | 198.7 | 198.7 |
| Grand Total | \$ 12,227.0 | \$ 12,026.6 | \$ 11,580.5 | \$ 10,347.3 |

Source:

New Jersey Department of the Treasury, New Jersey Office of Management and Budget.

STATE OF NEW JERSEY
CONSOLIDATED SUMMARY - STATE AID FOR LOCAL SCHOOL DISTRICTS
GENERAL FUND AND PROPERTY TAX RELIEF FUND
(Expressed in Thousands)

| | Expended Fiscal Year 2004 | Available Resources Fiscal Year 2005 |
|---|------------------------------|---|
| Formula Aid Program | | |
| Core Curriculum Standards Aid | \$ 3,079,584 | \$ 3,080,318 |
| Supplemental Core Curriculum Standards Aid | 251,768 | 251,768 |
| Early Childhood Aid | 330,630 | 330,630 |
| Instructional Supplement | 15,621 | 15,621 |
| Demonstrably Effective Program Aid | 199,512 | 199,512 |
| Stabilization Aid | 111,626 | 111,626 |
| Stabilization Aid II | 2,491 | 2,491 |
| Stabilization Aid III | 11,402 | 11,402 |
| Additional Supplemental Stabilization Aid: | | |
| Large Efficient Districts | 5,250 | 5,250 |
| Regionalization Incentive Aid | 18,295 | 18,295 |
| High Senior Citizen Concentrations | 1,231 | 1,231 |
| Categorical Aids: | | |
| Adult Education Grants | 28,721 | 28,721 |
| Bilingual Education | 65,578 | 65,578 |
| Special Education | 896,420 | 896,420 |
| County Vocational Education | 38,948 | 38,948 |
| Pupil Transportation Aid | 305,652 | 307,187 |
| School Choice | 6,537 | 7,969 |
| Aid for Enrollment Adjustments | 16,456 | 16,456 |
| Formula Entitlement Amelioration Aid | 313 | -- |
| Consolidated Aid | 130,127 | 130,127 |
| Additional Formula Aid | -- | 90,000 |
| Above Average Enrollment Growth | -- | 12,000 |
| Less | | |
| Stabilization Aid Growth Limitation | (73,576) | (73,576) |
| Growth Savings - Payment Change | (14,250) | (14,500) |
| Subtotal Net Thorough and Efficient Budget | 5,428,336 | 5,533,474 |
| School Construction and Renovation Programs | 108,463 | 183,991 |
| Debt Service Aid | 126,601 | 121,272 |
| Subtotal School Building Aid | 235,064 | 305,263 |
| Subtotal Formula Aid Programs | 5,663,400 | 5,838,737 |
| Other Aid to Education | | |
| Nonpublic School Aid | 100,266 | 104,118 |
| Education Opportunity Aid | 1,051,330 | 1,103,414 |
| Education Access Aid | -- | 195,000 |
| Abbott Preschool Expansion Aid | 142,442 | 182,400 |
| Early Launch to Learning Initiative | -- | 15,000 |
| High Expectations for Learning Proficiency | -- | 17,000 |
| Positive Achievement and Cost Effectiveness | -- | 2,500 |
| Payment for Children with Unknown District of Residence | 22,952 | 21,400 |
| Extraordinary Special Education Costs Aid | 52,000 | 52,000 |
| General Vocational Aid | 5,446 | 4,860 |
| Additional School Building Aid (Debt Service) | 1,599 | 955 |
| Educational Information & Resource Center | 450 | 450 |
| Charter School Aid | 5,714 | 10,500 |
| Charter Schools - Council on Local Mandates Decision Offset Aid | 5,499 | 5,500 |
| Character Education | 4,742 | 4,750 |
| Teacher Quality Mentoring | 1,997 | 2,500 |
| Other Aid | 7,609 | 11,699 |
| Subtotal Other Aid to Education | 1,402,046 | 1,734,046 |
| Direct State Payments for Education | | |
| Teachers' Pension and Annuity Fund - Post Retirement Medical | 422,458 | 524,979 |
| Debt Service on Pension Obligation Bonds | 83,512 | 79,779 |
| Pension Retirement Medical Other than PTRF | 65,385 | 82,013 |
| Teachers' Social Security Payments for Education | 594,427 | 624,750 |
| Subtotal Direct State Payments for Education | 1,165,782 | 1,311,521 |
| Total | \$ 8,231,228 | \$ 8,884,304 |

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
RATIO OF TOTAL DEBT SERVICE ON GENERAL OBLIGATION
BONDS TO TOTAL STATE EXPENDITURES

| Fiscal Year | Principal | Interest | Total Debt Service* | State Expenditures | Ratio |
|--------------------|------------------|-----------------|----------------------------|---------------------------|--------------|
| 1995 | \$ 3,425,000 | \$ 100,096,833 | \$ 103,521,833 | \$ 15,330,072,857 | 0.68 % |
| 1996 | 244,281,000 | 209,070,625 | 453,351,625 | 16,243,868,982 | 2.79 |
| 1997 | 250,911,000 | 195,989,910 | 446,900,910 | 16,335,984,225 | 2.74 |
| 1998 | 287,675,000 | 191,218,950 | 478,893,950 | 17,214,149,639 | 2.78 |
| 1999 | 297,990,000 | 197,553,385 | 495,543,385 | 18,531,794,940 | 2.67 |
| 2000 | 301,995,000 | 192,228,225 | 494,223,225 | 19,959,907,507 | 2.48 |
| 2001 | 319,650,000 | 205,395,184 | 525,045,184 | 21,326,795,958 | 2.46 |
| 2002 | 296,135,380 | 155,040,632 | 451,176,012 | 22,679,930,235 | 1.99 |
| 2003 | 260,845,065 | 179,611,063 | 440,456,128 | 24,142,092,646 | 1.82 |
| 2004 | 273,189,412 | 176,979,025 | 450,168,437 | 25,053,883,222 | 1.80 |

* Includes debt service on General Obligation Bonds only. Savings achieved through the sale of General Obligation Refunding Bonds are reflected in lower debt service payments made in Fiscal Years 1995, 1996, 1999, 2002, 2003, and 2004.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
RATIO OF GENERAL LONG-TERM BONDED DEBT TO
ASSESSED VALUE AND DEBT PER CAPITA
(Expressed in Thousands Except for General Long-Term Debt Ratios)

| Fiscal Year | New Jersey Population** | Assessed Value** | General Long-Term Debt Outstanding (1) | General Long-Term Debt Comparison To Assessed Value | General Long-Term Debt Per Capita*** |
|--------------------|--------------------------------|-------------------------|---|--|---|
| 1994 | 7,904 | \$ 416,075,191 | \$ 3,591,316 | 0.86 % | \$ 454.37 |
| 1995 | 7,945 | 423,960,774 | 3,646,891 | 0.86 | 459.02 |
| 1996 | 7,988 | 429,753,224 | 3,688,361 | 0.86 | 461.74 |
| 1997 | 8,053 | 438,965,016 | 3,437,450 | 0.78 | 426.85 |
| 1998 | 8,115 | 455,710,137 | 3,572,895 | 0.78 | 440.28 |
| 1999 | 8,143 | 470,554,943 | 3,649,905 | 0.78 | 448.23 |
| 2000 | 8,414 | 493,863,234 | 3,790,570 | 0.77 | 450.51 |
| 2001 | 8,504 * | 524,816,215 | 3,470,920 | 0.66 | 408.15 |
| 2002 | 8,575 * | 567,908,706 | 3,170,939 | 0.56 | 369.79 |
| 2003 | 8,638 | 606,248,658 | 3,294,174 | 0.54 | 381.36 |

* NJ Population has been revised for 2001 and 2002.

** NJ Population and Assessed Value (includes real and personal property) are shown on a calendar year basis.

*** General Long-Term Debt Per Capita has been revised for Fiscal Years 1994 through 2002.

(1) Includes State General Obligation Debt only.

Sources:

New Jersey Department of the Treasury, Annual Report of the Division of Taxation.

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY
STATE CONSTITUTION - LEGAL DEBT LIMITATIONS**

The State Constitution provides that the Legislature shall not create a debt or liability in any fiscal year which, together with any previous debts or liabilities, shall exceed one percent of total appropriations for that fiscal year unless the same shall be authorized by a law for some single object or been submitted to the people at a general election and has been approved by a majority of voters. These Constitutional Provisions do not apply to the creation of debt for purposes of war, or to repel invasion, or to suppress insurrection, or to meet emergencies caused by disaster or act of God (Article VIII, Section 2, par. 3).

All general obligation bonded debt in New Jersey is entered into as a result of successful referenda. As the table below illustrates, the debt margin as defined by the Constitution would prohibit any other method of creation of such debt or liability.

**STATE OF NEW JERSEY
CALCULATION OF LEGAL LIMITS
(Expressed in Thousands)**

| Fiscal Year | Total General Fund Appropriations* | Legal Debt Limit | Outstanding General Obligation Bonded Debt |
|------------------------|---|-----------------------------|---|
| 1995 | \$ 10,471,079 | \$ 104,711 | \$ 3,646,891 |
| 1996 | 11,216,997 | 112,170 | 3,688,361 |
| 1997 | 11,240,476 | 112,405 | 3,437,450 |
| 1998 | 11,206,205 | 112,062 | 3,572,895 |
| 1999 | 11,629,300 | 116,293 | 3,649,905 |
| 2000 | 12,462,175 | 124,622 | 3,790,570 |
| 2001 | 13,098,142 | 130,981 | 3,470,920 |
| 2002 | 14,186,563 | 141,866 | 3,170,939 |
| 2003 | 15,980,463 | 159,805 | 3,294,174 |
| 2004 | 16,906,567 | 169,066 | 3,236,100 |

* Does not include the Property Tax Relief Fund, Casino Control Fund, Casino Revenue Fund, and Gubernatorial Elections Fund, the revenues of which are restricted as to use by their respective legislation.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
LEGISLATIVELY AUTHORIZED BUT UNISSUED DEBT, 2004 AND 2003
(Expressed in Thousands)

| Debt Program | Year | Amount Authorized | Unissued As Of | |
|---|------------|----------------------|----------------|---------------|
| | | | 6/30/2004 | 6/30/2003 |
| <u>General Obligation Bonds</u> | | | | |
| Clean Waters | 1976 | \$ 120,000 | \$ 5,000 | \$ 5,000 |
| State Land Acquisition and Development | 1978 | 200,000 | 1,500 | 1,500 |
| Natural Resources | 1980 | 145,000 | 9,600 | 17,100 |
| Energy Conservation | 1980 | 50,000 | 1,600 | 2,100 |
| Water Supply | 1981 | 350,000 | 93,400 | 93,400 |
| Hazardous Discharge | 1981 | 100,000 | 43,000 | 43,000 |
| New Jersey Green Acres | 1983 | 135,000 | 14,500 | 14,500 |
| Pinelands Infrastructure Trust | 1985 | 30,000 | 8,000 | 8,000 |
| Hazardous Discharge | 1986 | 200,000 | 48,000 | 88,000 |
| New Jersey Green Acres, Cultural Centers & Historic Preservation | 1987 | 100,000 | 9,000 | 9,000 |
| Open Space Preservation | 1989 | 300,000 | 26,000 | 29,000 |
| Public Purpose Buildings and Community - Based Facilities Construction | 1989 | 125,000 | 5,000 | 5,000 |
| Stormwater Management & Combined Sewer Overflow Abatement | 1989 | 50,000 | 21,500 | 21,500 |
| New Jersey Green Acres, Clean Water, Farmland and Historic Preservation | 1992 | 345,000 | 26,780 | 54,780 |
| Development Disabilities' Waiting List Reduction and Human Services Facilities Construction | 1994 | 160,000 | 5,000 | 19,000 |
| 1995 New Jersey Green Acres, Farmland & Historic Preservation & Blue Acres | 1995 | 340,000 | 25,500 | 62,500 |
| Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development | 1996 | 300,000 | 199,000 | 243,000 |
| Statewide Transportation and Local Bridge | 1999 | 500,000 | -- | 41,000 |
| Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project | 2003 | 200,000 | 200,000 | -- |
| Subtotal | | 3,750,000 | 742,380 | 757,380 |
| <u>Revenue Bonds Payable</u> | | | | |
| <u>Transportation Trust Fund Authority</u> | | | | |
| Annual Capital Plan* | 1995 | 6,300,000 | 1,007,845 | 1,932,655 |
| <u>Garden State Preservation Trust**</u> | | | | |
| Open Space and Farmland Presevation Bonds*** | 1999, 2004 | 1,150,000 | 650,001 | 500,001 |
| Subtotal | | 7,450,000 | 1,657,846 | 2,432,656 |
| <u>Installment Obligations</u> | | | | |
| <u>Economic Development Authority</u> | | | | |
| Market Transition Facility | 1994 | 750,000 | 44,730 | 44,730 |
| School Facilities Construction | 2000 | 8,600,000 | 5,904,071 | 7,454,071 |
| <u>Educational Facilities Authority</u> | | | | |
| Equipment Leasing Fund | 1993 | 100,000 | 25,415 | 12,615 |
| Capital Improvement Fund | 1999 | 550,000 | 590 | 77,315 |
| Dormitory Safety Trust Fund | 2000 | 90,000 | 10,790 | 16,230 |
| Subtotal | | 10,090,000 | 5,985,596 | 7,604,961 |
| Total | | \$ 21,290,000 | \$ 8,385,822 | \$ 10,794,997 |

Notes:

For debt issued after June 30, 2004, please refer to Note 20 of the Notes to the Financial Statements.

* The New Jersey Transportation Trust Fund Authority has been legislatively reauthorized to include capital programs through Fiscal Year 2004.

** During November, 2003 New Jersey voters approved a constitutional amendment that increased the cap on the total amount of bonds that may be issued by the Garden State Preservation Trust to \$1.150 billion, from \$1.000 billion.

*** The Garden State Preservation Trust on May 6, 2004 sold \$500 million of its Open Space and Farmland Preservation Bonds, 2005 Series A (Forward Delivery Bonds). The Garden State Preservation Trust expects to issue and deliver the bonds on or about December 1, 2005.

Source:

New Jersey Department of the Treasury, Office of Public Finance.

**STATE OF NEW JERSEY
MARKET TRANSITION FACILITY (MTF) BONDS
DEBT SERVICE COVERAGE RATIO
(Expressed in Millions Except for Coverage Ratio)**

| Fiscal Year | MTF Revenue | Debt Service | Coverage Ratio |
|------------------------|------------------------|-------------------------|---------------------------|
| 1997 | \$ 131.2 | \$ 40.4 | 3.2 |
| 1998 | 150.8 | 70.5 | 2.1 |
| 1999 | 143.4 | 72.5 | 2.0 |
| 2000 | 133.2 | 72.4 | 1.8 |
| 2001 | 126.4 | 72.4 | 1.7 |
| 2002 | 128.6 | 61.7 | 2.1 |
| 2003 | 134.3 | 65.7 | 2.0 |
| 2004 | 136.6 | 71.7 | 1.9 |

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

**CORPORATE HEADQUARTERS
LOCATED IN THE STATE OF NEW JERSEY**

| | |
|--|--|
| Amerada Hess Corporation | Lucent Technologies, Inc. |
| American Standard Companies, Inc. | Masterfoods USA |
| AT&T | Medco Health Solutions |
| Automatic Data Processing, Inc. | Merck & Company, Inc. |
| AVAYA | NJM Insurance Group |
| Aventis | North Jersey Media Group, Inc. |
| BAE Systems | Novartis Pharmaceuticals Corp. |
| BASF Corporation | Pathmark Stores, Inc. |
| BD (Becton Dickinson and Company) | Pearson Education |
| Bed Bath & Beyond, Inc. | Pharmacia Corp. |
| Big M, Inc. | The PNC Financial Services Group, Inc. |
| Borgata Hotel Casino & Spa | Prudential Financial, Inc. |
| Campbell Soup Company | Public Service Enterprise Group, Inc. |
| Cendant Corp. | Quest Diagnostics, Inc. |
| The Chubb Corporation | Quick Chek Food Stores |
| Comcast | Resorts Atlantic City |
| Commerce Bancorp | Ricoh Corporation |
| Continental Airlines | Roche |
| Educational Testing Service | Sand's Casino Hotel |
| Food Circus Supermarkets | Schering-Plough Corp. |
| The Great Atlantic & Pacific Tea Co., Inc. | The Shevell Group of Companies |
| Holman Enterprises | Silver Line Building Products Corp. |
| Honeywell | Telcordia Technologies, Inc. |
| Horizon BC & BS of NJ | Tropicana/Aztar Corp. |
| Jersey Central Power & Light | Trump Hotel & Casino Resorts |
| Jevic Transportation Inc. | Valley National Bank |
| Johnson & Johnson | Viking Yacht Company |
| Kings Super Markets, Inc. | Wachovia |
| KPMG LLP | Wakefern Food Corporation/Shoprite |
| L-3 Communication Systems - East | Wyeth |

Source:

"New Jersey Business," New Jersey Business & Industry Association, "32nd Annual Top 100 Employers, May 2004." Data reprinted with permission from the New Jersey Business and Industry Association.

**STATE OF NEW JERSEY
FIFTY LARGEST PRIVATE SECTOR EMPLOYERS**

| <u>Rank</u> | <u>Employer</u> | <u>2003 NJ Employment</u> |
|--------------------|--|--------------------------------------|
| 1 | Wakefern Food Corporation/Shoprite | 32,769 |
| 2 | United Parcel Service (UPS) | 18,000 |
| 3 | Verizon | 14,923 |
| 4 | Caesars Entertainment | 14,569 |
| 5 | AT&T | 13,960 |
| 6 | Pathmark Stores, Inc. | 12,600 |
| 7 | Home Depot | 12,000 |
| 8 | Johnson & Johnson | 11,500 |
| 9 | Continental Airlines | 11,000 |
| 10 | Wal-Mart Stores, Inc. | 11,000 |
| 11 | The Great Atlantic & Pacific Tea Co., Inc. | 10,763 |
| 12 | Trump Hotel & Casino Resorts | 10,468 |
| 13 | Public Service Enterprise Group, Inc. | 10,387 |
| 14 | Cendant Corp. | 9,436 |
| 15 | Prudential Financial, Inc. | 9,419 |
| 16 | Merrill Lynch & Co., Inc. | 9,300 |
| 17 | Federated Dept. Stores | 9,233 |
| 18 | Bristol-Myers Squibb Company | 8,600 |
| 19 | FedEx Corporation | 7,400 |
| 20 | Merck & Company, Inc. | 7,359 |
| 21 | Schering-Plough Corp. | 7,212 |
| 22 | Commerce Bancorp | 6,480 |
| 23 | Lucent Technologies, Inc. | 6,383 |
| 24 | Wachovia | 6,300 |
| 25 | FleetBoston Financial | 6,200 |
| 26 | Lockheed Martin Corporation | 6,000 |
| 27 | The Stop & Shop Supermarket Co. | 6,000 |
| 28 | Acme Markets, Inc. | 5,981 |
| 29 | Harrah's Entertainment, Inc. | 5,979 |
| 30 | Sears, Roebuck & Co. | 5,900 |
| 31 | Automated Data Processing, Inc. | 5,845 |
| 32 | Pfizer, Inc. | 5,500 |
| 33 | IBM Corporation | 4,960 |
| 34 | Citigroup, Inc. | 4,900 |
| 35 | UBS Financial Services, Inc. | 4,607 |
| 36 | Horizon BC & BS of NJ | 4,600 |
| 37 | Tropicana/Aztar Corp. | 4,404 |
| 38 | Kmart Corporation | 4,400 |
| 39 | Medco Health Solutions | 4,229 |
| 40 | The Bank of New York | 4,053 |
| 41 | The Chubb Corporation | 4,100 |
| 42 | Borgata Hotel Casino & Spa | 4,000 |
| 43 | Novartis Pharmaceuticals Corp. | 4,000 |
| 44 | Six Flags, Inc. | 4,000 |
| 45 | Telcordia Technologies, Inc. | 3,590 |
| 46 | Silver Line Building Products Corp. | 3,550 |
| 47 | Aventis | 3,500 |
| 48 | May Department Stores | 3,500 |
| 49 | Roche | 3,280 |
| 50 | L'Oreal USA, Inc. | 3,262 |

Source:

"New Jersey Business, "New Jersey Business & Industry Association, "32nd Annual Top 100 Employers, May 2004." Data reprinted with permission from the New Jersey Business and Industry Association.

**STATE OF NEW JERSEY
FULL-TIME PAID EMPLOYEES*
(Excludes Colleges and Universities)**

| Department/Agency | January | | |
|--|---------------|---------------|---------------|
| | 2004 | 2003 | 2002 |
| Executive Branch | | | |
| Agriculture | 254 | 247 | 259 |
| Banking and Insurance | 481 | 486 | 517 |
| Chief Executive's Office | 111 | 118 | 116 |
| Community Affairs | 1,045 | 1,015 | 1,106 |
| Corrections | 9,257 | 9,344 | 9,445 |
| Parole Board | 652 | 699 | 713 |
| Education | 971 | 920 | 991 |
| Environmental Protection | 3,296 | 3,248 | 3,449 |
| Health | 2,136 | 1,953 | 2,148 |
| Human Services | 20,152 | 19,278 | 18,978 |
| Labor | 3,672 | 3,458 | 3,486 |
| Public Employees Relations Commission | 34 | 36 | 36 |
| Law and Public Safety | 7,405 | 7,137 | 7,379 |
| Election Law Enforcement Commission | 45 | 46 | 50 |
| Violent Crimes Compensation Board | 48 | 46 | 47 |
| Executive Commission on Ethical Standards | 8 | 8 | 9 |
| Juvenile Justice | 1,705 | 1,585 | 1,638 |
| Military and Veterans' Affairs | 1,419 | 1,358 | 1,449 |
| Personnel | 399 | 376 | 440 |
| State | 185 | 187 | 202 |
| Commission on Higher Education | 19 | 22 | 24 |
| Public Broadcasting Authority | 159 | 157 | 159 |
| Student Assistance | 210 | 193 | 213 |
| Transportation | 6,049 | 5,109 | 5,438 |
| Treasury | 3,594 | 3,604 | 3,880 |
| Casino Control Commission | 350 | 325 | 334 |
| Commission on Science and Technology | 5 | 8 | 9 |
| Office of Administrative Law | 110 | 109 | 112 |
| Office of Information Technology | 923 | 929 | 1,048 |
| Public Defender | 951 | 877 | 942 |
| Board of Public Utilities/Ratepayer Advocate | 336 | 319 | 307 |
| Miscellaneous Executive Commissions | 2 | 2 | 2 |
| Total | 65,983 | 63,199 | 64,926 |
| Legislative Branch | 520 | 506 | 492 |
| Judicial Branch (Administrative Office of the Courts) | 1,797 | 1,753 | 1,795 |
| Statewide Total Without Courts | 68,300 | 65,458 | 67,213 |
| Judicial Branch | 7,546 | 7,365 | 7,566 |
| Grand Statewide Total | 75,846 | 72,823 | 74,779 |

* Full-time paid employees were tabulated as of pay period one for each year displayed.

Source:

New Jersey Department of the Treasury, New Jersey Office of Management and Budget.

**STATE OF NEW JERSEY
SECTOR SUMMARY OF FALL ENROLLMENT
NEW JERSEY COLLEGES AND UNIVERSITIES, 2003 AND 2002**

| Full and Part-time Sector | Undergraduate | | Post-Baccalaureate | | Total Enrollments | |
|--------------------------------------|----------------------|----------------|---------------------------|---------------|--------------------------|----------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| <u>Full-time Enrollment</u> | | | | | | |
| Community Colleges | 69,768 | 66,067 | -- | -- | 69,768 | 66,067 |
| State Colleges | 49,785 | 48,085 | 2,375 | 2,079 | 52,160 | 50,164 |
| Rutgers, The State University | 32,958 | 33,323 | 6,092 | 5,027 | 39,050 | 38,350 |
| New Jersey Institute of Technology | 4,239 | 4,238 | 1,261 | 1,310 | 5,500 | 5,548 |
| University of Medicine and Dentistry | 510 | 586 | 3,238 | 3,210 | 3,748 | 3,796 |
| Independent Colleges | 40,568 | 39,675 | 9,869 | 9,288 | 50,437 | 48,963 |
| Total | 197,828 | 191,974 | 22,835 | 20,914 | 220,663 | 212,888 |
| <u>Part-time Enrollment</u> | | | | | | |
| Community Colleges | 76,082 | 72,857 | -- | -- | 76,082 | 72,857 |
| State Colleges | 13,276 | 13,904 | 12,407 | 12,070 | 25,683 | 25,974 |
| Rutgers, The State University | 5,160 | 5,253 | 7,058 | 7,877 | 12,218 | 13,130 |
| New Jersey Institute of Technology | 1,473 | 1,492 | 1,797 | 1,788 | 3,270 | 3,280 |
| Thomas Edison State College | 10,011 | 9,012 | 222 | 213 | 10,233 | 9,225 |
| University of Medicine and Dentistry | 262 | 202 | 932 | 682 | 1,194 | 884 |
| Independent Colleges | 10,434 | 10,552 | 12,920 | 12,967 | 23,354 | 23,519 |
| Total | 116,698 | 113,272 | 35,336 | 35,597 | 152,034 | 148,869 |
| <u>Total Enrollment</u> | | | | | | |
| Community Colleges | 145,850 | 138,924 | -- | -- | 145,850 | 138,924 |
| State Colleges | 63,061 | 61,989 | 14,782 | 14,149 | 77,843 | 76,138 |
| Rutgers, The State University | 38,118 | 38,576 | 13,150 | 12,904 | 51,268 | 51,480 |
| New Jersey Institute of Technology | 5,712 | 5,730 | 3,058 | 3,098 | 8,770 | 8,828 |
| Thomas Edison State College | 10,011 | 9,012 | 222 | 213 | 10,233 | 9,225 |
| University of Medicine and Dentistry | 772 | 788 | 4,170 | 3,892 | 4,942 | 4,680 |
| Independent Colleges | 51,002 | 50,227 | 22,789 | 22,255 | 73,791 | 72,482 |
| Grand Total | 314,526 | 305,246 | 58,171 | 56,511 | 372,697 | 361,757 |

Source:

New Jersey Commission on Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities."

**STATE OF NEW JERSEY
PUBLIC AND INDEPENDENT COLLEGE ENROLLMENT SUMMARY**

Full-time Undergraduate Enrollment

| Year | Community Colleges | State Colleges | Other Public 4-Year* | Independent Colleges | Total |
|-------------|---------------------------|-----------------------|-----------------------------|-----------------------------|--------------|
| 1994 | 54,676 | 39,356 | 31,597 | 30,082 | 155,711 |
| 1995 | 54,862 | 40,265 | 32,272 | 30,244 | 157,643 |
| 1996 | 54,053 | 40,934 | 32,677 | 32,005 | 159,669 |
| 1997 | 53,323 | 41,874 | 33,468 | 33,258 | 161,923 |
| 1998 | 53,643 | 42,843 | 34,578 | 35,175 | 166,239 |
| 1999 | 54,869 | 43,895 | 35,857 | 36,075 | 170,696 |
| 2000 | 56,509 | 44,603 | 36,425 | 37,498 | 175,035 |
| 2001 | 59,921 | 46,014 | 37,561 | 38,803 | 182,299 |
| 2002 | 66,067 | 48,085 | 38,147 | 39,675 | 191,974 |
| 2003 | 69,768 | 49,785 | 37,707 | 40,568 | 197,828 |

Part-time Undergraduate Enrollment

| Year | Community Colleges | State Colleges | Other Public 4-Year* | Independent Colleges | Total |
|-------------|---------------------------|-----------------------|-----------------------------|-----------------------------|--------------|
| 1994 | 81,086 | 17,871 | 17,259 | 13,366 | 129,582 |
| 1995 | 78,378 | 17,400 | 17,103 | 12,936 | 125,817 |
| 1996 | 73,050 | 16,733 | 16,751 | 13,169 | 119,703 |
| 1997 | 69,265 | 16,418 | 16,515 | 12,489 | 114,687 |
| 1998 | 67,471 | 15,471 | 16,452 | 11,757 | 111,151 |
| 1999 | 68,013 | 14,663 | 15,739 | 11,349 | 109,764 |
| 2000 | 68,076 | 14,680 | 15,541 | 11,435 | 109,732 |
| 2001 | 69,998 | 14,147 | 15,226 | 11,125 | 110,496 |
| 2002 | 72,857 | 13,904 | 15,959 | 10,552 | 113,272 |
| 2003 | 76,082 | 13,276 | 16,906 | 10,434 | 116,698 |

Total Undergraduate Enrollment

| Year | Community Colleges | State Colleges | Other Public 4-Year* | Independent Colleges | Total |
|-------------|---------------------------|-----------------------|-----------------------------|-----------------------------|--------------|
| 1994 | 135,762 | 57,227 | 48,856 | 43,448 | 285,293 |
| 1995 | 133,240 | 57,665 | 49,375 | 43,180 | 283,460 |
| 1996 | 127,103 | 57,667 | 49,428 | 45,174 | 279,372 |
| 1997 | 122,588 | 58,292 | 49,983 | 45,747 | 276,610 |
| 1998 | 121,114 | 58,314 | 51,030 | 46,932 | 277,390 |
| 1999 | 122,882 | 58,558 | 51,596 | 47,424 | 280,460 |
| 2000 | 124,585 | 59,283 | 51,966 | 48,933 | 284,767 |
| 2001 | 129,919 | 60,161 | 52,787 | 49,928 | 292,795 |
| 2002 | 138,924 | 61,989 | 54,106 | 50,227 | 305,246 |
| 2003 | 145,850 | 63,061 | 54,613 | 51,002 | 314,526 |

* Includes Rutgers, The State University, New Jersey Institute of Technology, The University of Medicine and Dentistry's School of Allied Health Professions, and Thomas Edison State College.

Source:

New Jersey Commission on Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities."

**STATE OF NEW JERSEY
POPULATION AND EMPLOYMENT TRENDS
(Expressed in Thousands)**

| Year | Population* | Civilian Labor Force* | Resident Employment* | Resident Unemployment* | New Jersey Unemployment Rate | U.S. Unemployment Rate* |
|-------------|--------------------|--------------------------------------|---------------------------------|-----------------------------------|---|--|
| 1994 | 7,904 | 4,058 | 3,781 | 276 | 6.8 % | 6.1 % |
| 1995 | 7,945 | 4,122 | 3,858 | 264 | 6.4 | 5.6 |
| 1996 | 7,988 | 4,199 | 3,939 | 260 | 6.2 | 5.4 |
| 1997 | 8,053 | 4,268 | 4,049 | 219 | 5.1 | 4.9 |
| 1998 | 8,115 | 4,224 | 4,029 | 195 | 4.6 | 4.5 |
| 1999 | 8,143 | 4,296 | 4,099 | 197 | 4.6 | 4.2 |
| 2000 | 8,414 | 4,289 | 4,129 | 160 | 3.7 | 4.0 |
| 2001 | 8,504 | 4,305 | 4,125 | 180 | 4.2 | 4.8 |
| 2002 | 8,575 | 4,368 | 4,113 | 255 | 5.8 | 5.8 |
| 2003 | 8,638 | 4,375 | 4,118 | 257 | 5.9 | 6.0 |

* Civilian Labor Force, Resident Employment, and Resident Unemployment data for 1994 through 1999 has been revised. Population for 2001 and 2002 has been revised. U.S. Unemployment rate for 2001 has been revised.

Sources:

New Jersey Department of Labor, "New Jersey Economic Indicators."
New Jersey Department of Labor, Division of Planning and Research.

**STATE OF NEW JERSEY
PERSONAL AND PER CAPITA INCOME, AND NEW DWELLING UNITS**

| Year | Personal Income (\$ in Millions)* | Per Capita Income* | Value of New Dwelling Units Authorized (\$ in Thousands) |
|-------------|--|-------------------------------|---|
| 1994 | \$ 220,859 | \$ 27,558 | \$ 3,189,788 |
| 1995 | 233,937 | 28,941 | 2,825,560 |
| 1996 | 248,320 | 30,470 | 2,134,127 |
| 1997 | 263,420 | 32,051 | 2,533,451 |
| 1998 | 282,721 | 34,115 | 2,936,016 |
| 1999 | 294,385 | 35,215 | 3,162,436 |
| 2000 | 323,554 | 38,372 | 3,375,978 |
| 2001 | 332,316 | 39,077 | 3,013,190 |
| 2002 | 338,388 | 39,461 | 3,430,318 |
| 2003 | 349,224 | 40,427 | 3,781,902 |

* Personal Income and Per Capita Income data for 1994 through 2002 has been revised.

Sources:

New Jersey Department of Labor.
New Jersey Economic Policy Council.

STATE OF NEW JERSEY
VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL, AND PER CAPITA INCOME
(Expressed in Thousands Except as Indicated)

| Year | New Jersey Population* | Assessed Valuation of Property** | True Valuation of Property** | Personal Income (Millions)** | Per Capita Income** |
|-------------|-----------------------------------|---|---|---|--------------------------------|
| 1994 | 7,904 | \$ 416,075,191 | \$ 495,392,987 | \$ 220,859 | \$ 27,558 |
| 1995 | 7,945 | 423,960,774 | 497,735,602 | 233,937 | 28,941 |
| 1996 | 7,988 | 429,753,224 | 501,577,931 | 248,320 | 30,470 |
| 1997 | 8,053 | 438,965,016 | 514,007,592 | 263,420 | 32,051 |
| 1998 | 8,115 | 455,710,137 | 539,354,740 | 282,721 | 34,115 |
| 1999 | 8,143 | 470,554,943 | 548,448,342 | 294,385 | 35,215 |
| 2000 | 8,414 | 493,863,234 | 645,145,129 | 323,554 | 38,372 |
| 2001 | 8,504 | 524,816,215 | 720,179,653 | 332,316 | 39,077 |
| 2002 | 8,575 | 567,908,706 | 820,922,044 | 338,388 | 39,461 |
| 2003 | 8,638 | 606,248,658 | 831,431,649 | 349,224 | 40,427 |

* New Jersey Population for 2000 through 2002 has been revised.

** Data for 1994 through 2002 has been revised.

Sources:

New Jersey Department of the Treasury, Annual Report of the Division of Taxation.

New Jersey Department of Labor, Office of Demographic & Economic Analysis.

STATE OF NEW JERSEY
GOODS PRODUCING AND SERVICE PRODUCING EMPLOYMENT*
(Expressed in Thousands)

| | 2003 | 1998 | 1993 | Percentage Change from 1993-2003 | Percentage of Total Employment 2003 |
|---|----------------|----------------|----------------|---|--|
| <u>Goods Producing</u> | | | | | |
| National Resources and Mining | 1.6 | 2.3 | 2.3 | (30.4) % | -- % |
| Construction | 159.3 | 136.1 | 116.3 | 37.0 | 4.0 |
| Manufacturing | | | | | |
| Durable Goods | 156.5 | 190.0 | 195.6 | (20.0) | 3.9 |
| Non-Durable Goods | 195.2 | 239.4 | 267.4 | (27.0) | 4.9 |
| Total | 512.6 | 567.8 | 581.6 | (11.9) | 12.8 |
| <u>Service Producing</u> | | | | | |
| Trade, Transportation and Utilities | | | | | |
| Wholesale Trade | 232.2 | 227.2 | 208.6 | 11.3 | 5.8 |
| Retail Trade | 468.8 | 435.6 | 409.4 | 14.5 | 11.8 |
| Transportation, Warehousing and Utilities | 177.3 | 184.8 | 164.0 | 8.1 | 4.5 |
| Information | 102.3 | 118.9 | 111.9 | (8.6) | 2.6 |
| Financial Activities | 277.1 | 248.7 | 224.8 | 23.3 | 7.0 |
| Professional and Business Services | 573.6 | 554.0 | 441.2 | 30.0 | 14.4 |
| Educational and Health Services | 539.2 | 466.1 | 399.4 | 35.0 | 13.5 |
| Leisure and Hospitality | 320.5 | 294.2 | 262.9 | 21.9 | 8.1 |
| Other Services | 152.4 | 132.4 | 118.6 | 28.5 | 3.8 |
| Government | 624.3 | 571.7 | 570.7 | 9.4 | 15.7 |
| Total | 3,467.7 | 3,233.6 | 2,911.5 | 19.1 | 87.2 |
| Grand Total | 3,980.3 | 3,801.4 | 3,493.1 | 13.9 % | 100.0 % |

* Based on North American Industry Classification System (NAICS).

Source:

New Jersey Department of Labor "New Jersey Economic Indicators" April 2004.

STATE OF NEW JERSEY
WAGE AND SALARY WORKERS IN NON-AGRICULTURAL ESTABLISHMENTS,*
ANNUAL AVERAGES BY NAICS INDUSTRY DIVISIONS**
1994-2003***
(Expressed in Thousands)

| Year | Total Non-Farm Employment | Manufacturing | Natural Resources and Mining | Construction | Trade Transportation and Utilities | Information | Financial Activities | Services and Misc. | Government |
|------|---------------------------------|---------------|------------------------------------|--------------|--|-------------|-------------------------|--------------------------|------------|
| 1994 | 3,552.8 | 456.0 | 2.3 | 121.7 | 802.8 | 115.0 | 229.9 | 1,251.7 | 573.4 |
| 1995 | 3,600.6 | 448.6 | 2.3 | 123.3 | 816.6 | 119.6 | 229.1 | 1,287.7 | 573.4 |
| 1996 | 3,638.9 | 437.4 | 2.1 | 125.0 | 823.5 | 117.5 | 231.2 | 1,331.6 | 570.6 |
| 1997 | 3,724.5 | 435.4 | 2.2 | 131.8 | 834.6 | 122.5 | 238.2 | 1,389.5 | 570.3 |
| 1998 | 3,801.4 | 429.4 | 2.3 | 136.1 | 847.6 | 118.9 | 248.7 | 1,446.7 | 571.7 |
| 1999 | 3,901.3 | 422.5 | 2.2 | 143.6 | 873.7 | 123.0 | 260.8 | 1,497.9 | 577.6 |
| 2000 | 3,994.7 | 421.6 | 2.0 | 149.6 | 899.0 | 126.9 | 266.9 | 1,539.8 | 588.9 |
| 2001 | 3,997.4 | 401.2 | 1.8 | 158.8 | 890.7 | 126.4 | 269.8 | 1,546.1 | 602.6 |
| 2002 | 3,984.0 | 367.5 | 1.6 | 162.6 | 881.4 | 113.2 | 276.7 | 1,567.5 | 613.5 |
| 2003 | 3,980.3 | 351.7 | 1.6 | 159.3 | 878.3 | 102.3 | 277.1 | 1,585.7 | 624.3 |

* Seasonally Adjusted.

** North American Industry Classification System.

*** Data for 2002 has been revised. Government data for 1994 through 2002 has been revised.

Source:

New Jersey Department of Labor, Division of Labor Market and Demographic Research, Economic Indicators, March 2004.

STATE OF NEW JERSEY
COMPOSITION OF NON-AGRICULTURAL WAGE AND SALARY EMPLOYMENT
NEW JERSEY AND THE UNITED STATES - 2003
(Expressed in Thousands)

| NAICS Industry* Non-Agricultural Composition | New Jersey | | United States |
|---|----------------|--------------|---------------|
| | No. of Jobs | % of Total | % of Total |
| Manufacturing | 351.7 | 8.8 | 11.2 |
| Mining | 1.6 | -- | 0.4 |
| Construction | 159.3 | 4.0 | 5.2 |
| Transportation and Utilities | 878.3 | 22.1 | 19.5 |
| Trade | 102.3 | 2.6 | 2.5 |
| Finance, Insurance, and Real Estate | 277.1 | 7.0 | 6.1 |
| Services | 1,585.7 | 39.8 | 38.5 |
| Government | 624.3 | 15.7 | 16.6 |
| Total | 3,980.3 | 100.0 | 100.0 |

* North American Industry Classification System.

Sources:

U.S. Department of Labor, Bureau of Labor Statistics.

New Jersey Department of Labor, Division of Labor Market and Demographic Research.

**STATE OF NEW JERSEY
NEW VEHICLE REGISTRATIONS
1994 - 2003**

| Calendar Year* | Cars | Light Trucks, Vans | Total Vehicles | |
|-------------------|---------|-----------------------|----------------|--------------------|
| | | | Annual | Monthly Average |
| 1994 | 371,592 | 160,398 | 531,990 | 44,333 |
| 1995 | 350,533 | 158,366 | 508,899 | 42,408 |
| 1996 | 350,955 | 182,203 | 533,158 | 44,430 |
| 1997 | 344,977 | 192,582 | 537,559 | 44,796 |
| 1998 | 348,559 | 202,044 | 550,603 | 45,884 |
| 1999 | 374,408 | 237,477 | 611,885 | 50,990 |
| 2000 | 397,435 | 266,178 | 663,613 | 55,301 |
| 2001 | 380,003 | 275,488 | 655,491 | 54,624 |
| 2002 | 362,190 | 284,191 | 646,381 | 53,865 |
| 2003 | 343,534 | 313,770 | 657,304 | 54,775 |

* Calendar Year 2002 has been revised.

Sources:

New Jersey Department of Labor, Division of Labor Market and Demographic Research.
R.L. Polk and Company.

**STATE OF NEW JERSEY
CONSTRUCTION CONTRACTS AWARDED
1995-2003*
(Expressed in Millions)**

| Year*** | Construction Type | | | Total Construction |
|---------|-------------------|-------------|---------------|-----------------------|
| | Nonresidential | Residential | Nonbuilding** | |
| 1995 | \$ 2,770 | \$ 2,256 | \$ 1,437 | \$ 6,463 |
| 1996 | 2,962 | 2,325 | 1,841 | 7,128 |
| 1997 | 3,618 | 2,626 | 2,128 | 8,372 |
| 1998 | 4,229 | 3,409 | 1,314 | 8,952 |
| 1999 | 4,589 | 3,713 | 1,306 | 9,608 |
| 2000 | 5,274 | 3,806 | 1,860 | 10,940 |
| 2001 | 5,006 | 3,841 | 2,548 | 11,395 |
| 2002 | 4,919 | 3,922 | 2,577 | 11,418 |
| 2003 | 5,132 | 4,344 | 2,279 | 11,755 |

Notes:

* Data for 1995 and forward include monthly revisions published by contract with F.W. Dodge; reprinting is not permitted.

** Nonbuilding includes public construction such as streets and highways, bridges as well as utilities and communications systems.

*** 2000 through 2002 has been revised.

Sources:

F.W. Dodge Division, McGraw-Hill Information Systems Company.
New Jersey Department of Labor, Office of Demographic & Economic Analysis.

**STATE OF NEW JERSEY
CASH RECEIPTS FROM FARM MARKETINGS
(Expressed in Millions)**

| Year* | Livestock and Products | Crops | Total |
|--------------|-----------------------------------|--------------|--------------|
| 1994 | \$ 181.0 | \$ 599.5 | \$ 780.5 |
| 1995 | 196.7 | 580.7 | 777.4 |
| 1996 | 201.5 | 611.2 | 812.7 |
| 1997 | 178.6 | 620.0 | 798.6 |
| 1998 | 185.5 | 623.4 | 808.9 |
| 1999 | 193.2 | 547.2 | 740.4 |
| 2000 | 191.8 | 652.3 | 844.1 |
| 2001 | 199.5 | 635.8 | 835.3 |
| 2002 | 189.4 | 680.0 | 869.4 |
| 2003 | 187.9 | 658.0 | 845.9 |

* Information for 1994 through 2002 has been revised.

Source:

United States Department of Agriculture.

**NEW JERSEY HISTORICAL
FACTS AND FIGURES**

The State was one of the original thirteen colonies and was the third state to ratify the United States Constitution in 1787. The original State Constitution was adopted on July 2, 1776 and was subsequently superseded by the State Constitution of 1844. A new State Constitution was prepared by a constitutional convention in 1947 and was ratified by voters of the State in the general election held on November 4, 1947.

The State Constitution establishes a bicameral legislature, which meets in annual sessions in Trenton, the State capital. Members of the State Senate are elected to terms of four years, except for the election following a decennial census, in which case the term is for two years. The members of the General Assembly are elected to two-year terms. The Governor is elected to a term of four years.

The State ranks fifth smallest in size, with an area of 7,418.8 square miles. The estimated population as of July 1, 2002 was 8,590,000 making New Jersey the ninth largest state in population, and the most populated of all the states, with an average of 1,158 people per square mile.

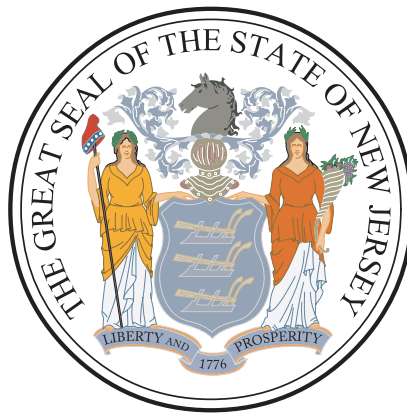
There are 15 departments of the Executive Branch of State Government. The maximum number permitted by the State Constitution is 20.

The higher education system in New Jersey includes 26 private colleges, 19 community colleges, as well as 12 State institutions.

The State Seal

Pierre Eugene du Simitiere designed the State Seal and presented it in May 1777 to the Legislature. The three plows in the shield honor the state's agriculture tradition. During the Revolutionary War, New Jersey's economic power, as well as its military significance, was based on the fact that it was the breadbasket of the Mid-Atlantic region. Continental and British soldiers in the state were engaged in skirmishes aimed

at securing exclusive access to New Jersey's farm stores and livestock herds as a source of army provisions. The helmet on the State Seal above the shield faces forward, an attitude denoting sovereignty and thus particularly fitting for one of the first governments created under the notion that the state itself is the sovereign. The helmet is also a symbol for the importance of human intelligence and honor to the affairs of state. The crest above the helmet is a horse's head. New Jersey was and still is a major center for horse breeding. The equestrian head also symbolizes the attributes of strength, speed, and utility in war or commerce. The supporting female figures are Liberty and Ceres. Liberty, on the viewer's left, carries a staff with the same kind of "Liberty cap" worn as a symbol of rebellion by patriots throughout the colonies. Ceres, the Roman goddess of grain, holds a cornucopia filled with harvested produce representing the extraordinary fertile soils and natural abundance of the state's fields, forests, and waters. Below them is a scroll bearing the motto "Liberty and Prosperity," and the year of statehood, 1776.



The State Flag

The official colors of New Jersey for use on the state flag and for other purposes were established by statute as buff and Jersey blue.



Other Legislative Designations

On January 12, 2004 Governor James E. McGreevey signed legislation making the blueberry, New Jersey's official state fruit. The Governor signed the legislation at Veterans Memorial Elementary School in Brick, where fifth graders were actively involved in the legislative process. The blueberry was first cultivated in the Garden State in Whitesbog, by Elizabeth C. White, whose father, J.J. White owned a cranberry plantation. Wild blueberries grew in their cranberry bogs, but it was generally accepted that it was not possible to cultivate blueberries. In 1911, Ms. White read about Dr. Frederick V. Coville's research in blueberry culti-

vation and began working with him to cultivate blueberries for sale. In 1916, their first blueberry was produced. The result of Ms. White's efforts was the production of a new crop, as well as the entirely new business of propagating and selling blueberry bushes. As plants were sold across the country, New Jersey bushes became established in many states. The blueberry, or *Vaccinium Corymbosum* (the high bush variety) and *Vaccinium Pennsylvanicum* (the low bush variety), grows throughout the Pinelands, in the same general environment that nurtures its cousin, the cranberry. Like the cranberry, the blueberry thrives on the acid soil of the region. Blueberries ripen earlier than do cranberries. Their harvesting in July thus complements the cranberry's fall harvest.

The State Flower is the violet. The Eastern Goldfinch is the State Bird. The State Animal is the horse, while the State Fish is the brook trout. The knobbed whelk, commonly known as the conch is the State Shell. The red oak is the Official State Tree, while the dogwood is the State Memorial Tree. Inspired by a group of schoolchildren and not even classified as a bug, the honeybee was designated as the State Bug. The State Folk Dance is the square dance. The State Dinosaur is the *Hadrosaurus Foulki*, a 25-foot-long, duck-billed creature that was unearthed in a Haddonfield, New Jersey marl pit in October 1858, by William Parke Foulke.

The State Tall Ship is the *A.J. Meerwald*, a Delaware Bay oyster schooner launched in 1928. The ship is constructed of oak planks laid over oak frames, is 115 feet long, has a beam of 22 feet, 3 inches, and weighs 57 tons. In 1942, the tall ship was commandeered by the Maritime Commission under the War Powers Act for use by the Coast Guard as a fireboat. Five years later, it was returned to its owners and used as an oyster dredge, under power, without sails, until the industry vanished in 1957. The *A.J. Meerwald* was used as a clam dredge from 1959 until 1989, when it was turned over to The Delaware Bay Schooner Project. Today, the *A.J. Meerwald* serves as a floating classroom, promoting ecological and historical awareness of the bay and the waters of New Jersey.